

SHEFFIELD CITY REPORT

By Astrid Winkler



CENTRE FOR ANALYSIS OF SOCIAL EXCLUSION
An ESRC Research Centre

CASereport 45

Sheffield City Report

By Astrid Winkler

Contents

Preface

Acknowledgements

1. City Context

2. Crisis

3. Recovery: Action taken

3.1 Political action

3.2 New recovery initiatives

4. What has changed: Signs of recovery?

4.1 City centre regeneration

4.2 Neighbourhood regeneration

4.3 The economy

4.4 Progress with devolution

5. Concluding thoughts

Sources: Interviewees and Bibliography

Preface

Europe is a continent of cities with a remarkable history of cultural inspiration, wealth creation, social and political dynamism. But in the late-20th century, many former industrial cities entered a period of steep decline, losing most of their manufacturing jobs and many of their economic functions. Populations declined and wealthier suburbs outstripped the declining inner cities that had housed the “engines of the world” and now housed some of the greatest concentrations of poverty. The US experienced even more extreme decline.

The idea of Weak Market Cities was born at the second UK Government conference on an Urban Renaissance, hosted by Manchester in 2002. European and American city leaders debated the changing fortunes and prospects of former industrial cities. The pressures of growth and sprawl were counterbalanced with inner urban depopulation and decay; the new skills needed for the new “knowledge” and “service” economy were contrasted with high levels of worklessness and poor schools. Cities now house the majority and fastest growing share of the world's expanding population, and they are on a treadmill of physical pressure, social disorder, and economic insecurity.

The London School of Economics' Centre for Analysis of Social Exclusion (CASE) with the Brookings Metropolitan Institute developed a programme to uncover the problems besetting such cities, the recovery measures under way and their impact. Generously funded by the Joseph Rowntree Foundation, CASE researchers identified seven cities across Europe, embarking on impressive recovery actions to reverse decline. We wanted to establish the common ground and differences between a group of comparable cities, exploring their progress and ongoing challenges. Seven cities in five countries became partners in our work: Bremen, Saint-Étienne, Leipzig, Torino, Bilbao, Sheffield and Belfast. The five countries – Germany, Italy, France, Spain and the UK – represent nearly three quarters of the EU's population.

All the cities had four common characteristics: a major industrial and manufacturing history; severe loss of these industries and related jobs; population outflow; a crisis of leadership, economic viability and inward investment. We rooted our study in the actual experience of cities, based on visits, interviews, historical and current local reports. In documenting what we found, we looked for patterns of change and common lessons that might be more widely applicable.

We recognised that the wealth of detailed experience, lived out by local residents, actors and organisations in each particular place, should be captured in some way. Therefore we are pleased to present reports from each of the cities as working papers, documenting what we have found so far and inviting further evidence, comment and debate. The story is both dramatic and encouraging everywhere. But it is also full of uncertainty and only tenuous conclusions are possible. It would be premature to forecast the future trajectory of any of the seven cities.

The seven city reports in this series are seen by us and our city reformer colleagues as work in progress. We hope that students, practitioners, urban researchers and policy makers will find them useful as case studies

and will feed in ideas, reactions and any corrections to the research team. We plan to present a clear overview of how cities facing such acute problems are faring in 2008.

I warmly thank our researchers, Jörg Plöger and Astrid Winkler, for the sheer scale of the undertaking and the immensely detailed work involved in collecting ground-level evidence in the languages of the country and writing up the reports. Sharing their learning through the reports will help many to appreciate the spirited comeback of cities. For as the Mayor of Saint-Étienne argues: "Very often the soul of the city is stronger than the industrial disasters, which drag it down, make it wobble and threaten to wipe it out." (Michel Thiollière, 2007)

Anne Power

CASE

26th October, 2007

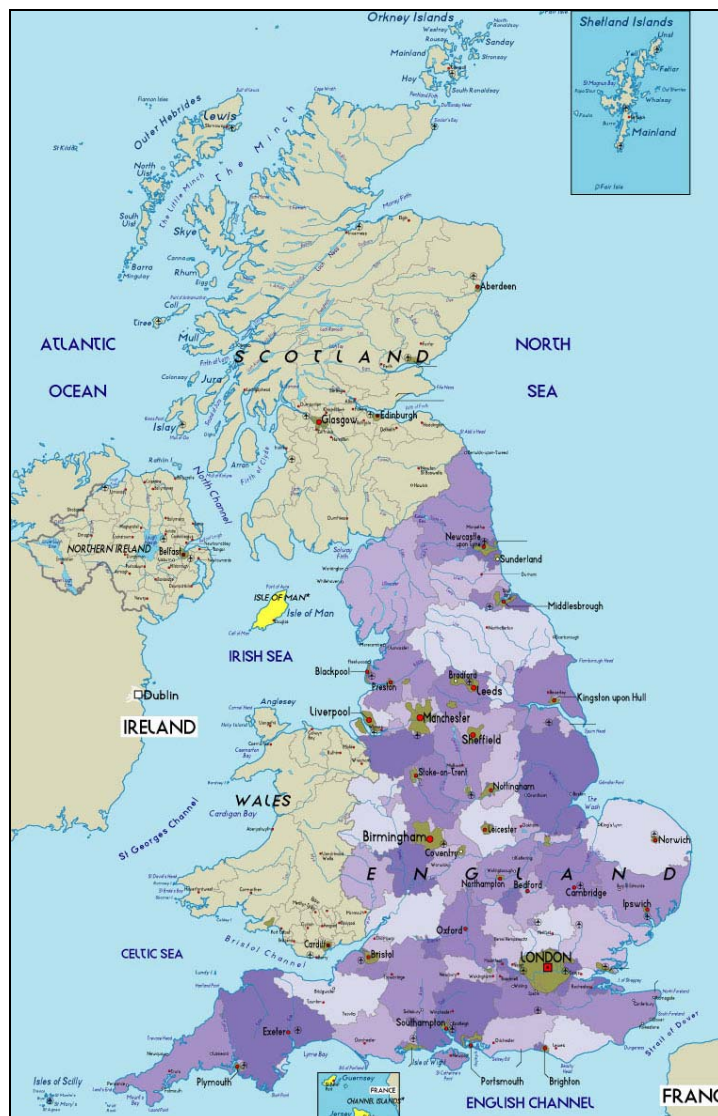
Acknowledgements

This report on the city of Sheffield is based on local field visits, official and local reports, European Union evidence and discussions with many local actors. We would like to thank all the people who have helped us in preparing this report, particularly colleagues in Sheffield, the EU, CASE and JRF. Anna Tamas, Nicola Serle, Laura Lane and the LSE Design Unit prepared the report for publication and we gratefully acknowledge their help. We accept full responsibility for any mistakes, inaccuracies or misunderstandings of complex and fast-changing local events. The report reflects work in progress and we would be glad to receive additional information and alternative views on our work. For more information about the programme, please contact Nicola Serle at n.serle@lse.ac.uk.

1. CITY CONTEXT

Sheffield is located in the South Yorkshire conurbation within the Yorkshire and Humber Region, 40 kilometres south of Leeds (see Figs. 1 and 2). The city, in this report, is defined by the administrative boundary of the local authority,¹ Sheffield City Council (see Fig. 3). By this definition, at the last official census in 2001 Sheffield had a resident population of 513,234, and covered an area of 368 km², with an estimated population density of 1,395 people per km² (ONS, 2001). It is England's fourth largest local authority in terms of population.

Figure 1: Map of England



Source: Geoatlas.com

¹ The local authority is the lowest tier of the administrative hierarchy in England. Local services (eg. education, housing) are administered at local authority level by an elected governing body known as a council. There are four types of local council in England: County Councils and District Councils in non-metropolitan areas, and Metropolitan Borough Councils and City Councils in metropolitan areas. (London has a separate system of Borough City Councils).

Figure 2: Map of the nine Regions of England

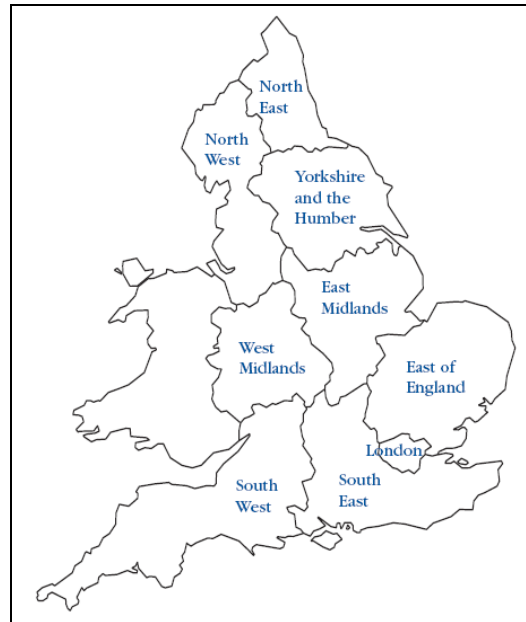
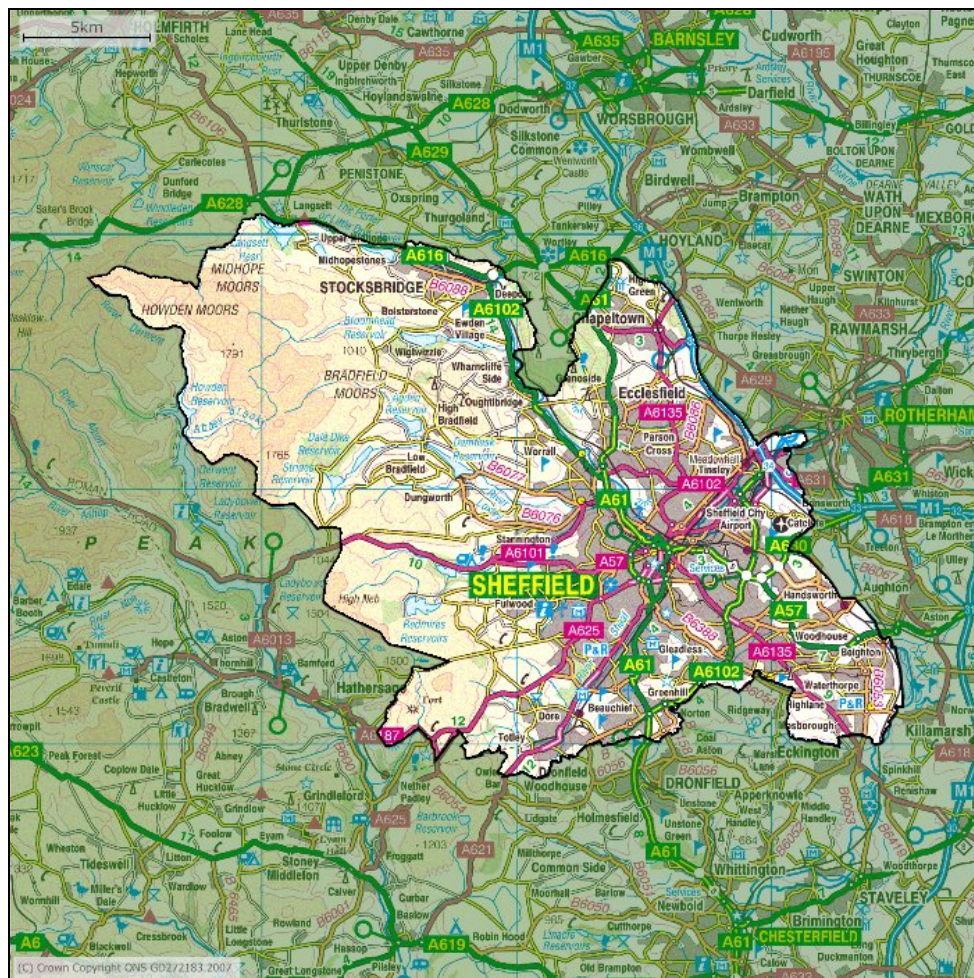


Figure 3: Map of Sheffield Local Authority



Source: ONS

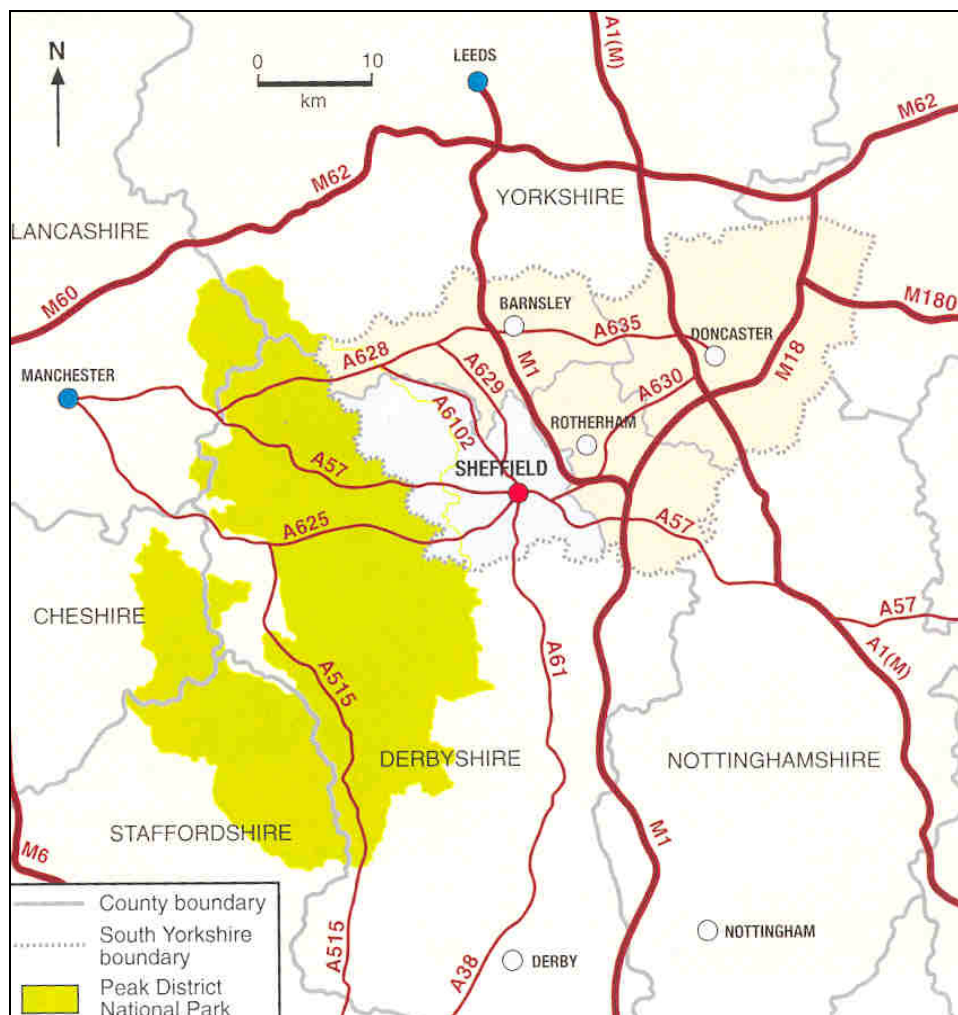
The metropolitan area comprises four local authorities (Sheffield, Rotherham, Doncaster and Barnsley) with an estimated population of 1,285,600 inhabitants in 2005, covering an area of 1,552 km², with an estimated population density of 828 people per km² (ONS, 2005). The authorities of Rotherham, Doncaster and Barnsley surround the core city of Sheffield and contain the coalfields on which Sheffield's steel industry was developed (see Fig. 4). The wider city-region comprises 11 local authorities, including the four Metropolitan City Councils of the Sheffield urban area, and in 2005 had an estimated population of 1,736,600 (ONS, 2005).

History

Sheffield's topography has shaped its history and its rationale. This green city nestles in a natural basin surrounded by seven hills, at the confluence of two major rivers, the Don and the Sheaf (from which Sheffield gets its name). The Peak District National Park, which borders the city along its Western periphery, constitutes roughly one third of the municipality's land (see Figs. 3 and 4).

Sheffield was founded as a small Anglo-Saxon settlement around the 7th century, established on the fields around the confluence of the rivers.

Figure 4: Map of Sheffield and the South Yorkshire sub-region



Source: Watts, 2004

The local production of metal dates back to the early Middle Ages. Sheffield's geography provided a coincidence of natural resources, namely iron ore for smelting, oak woods for charcoal and fast-flowing streams for water power, which together gave rise to the metal trades. Sheffield expanded as a result of the production of its famous knives and the associated trade activities. By the 16th century, production had diversified to include a wide variety of cutlery.

Industrial revolution, pioneering industrialists, large scale production

During the 18th century, several pioneering innovations won the city an international reputation. In the 1740s the crucible steel process was invented in Sheffield to produce a better quality of steel. The technique for fusing silver onto cheaper copper products to produce silver plating, soon known as 'Sheffield plate', was also developed. Inventions such as these had a major impact on the quality and quantity of local steel production. The steel manufacturers' early adoption of these new technologies put Sheffield at the forefront of British industry.

Box 1: Historical Timeline

700s	Anglo-Saxon settlement
1100s	Sheffield Castle built by invading Normans
1290s	Granted market charter
1600s	Main centre of cutlery production in England
1740s	Crucible steel process and silver-plating technique invented in Sheffield
1819	Sheffield Canal opens
1832	Sheffield becomes Parliamentary Borough
1838	First railway station opens
1843	Corporation of Sheffield established
1860s	Militant union activity, 'Sheffield Outrages'
1866	United Kingdom Alliance of Organised Trades founded in Sheffield
1864	By-laws prohibit construction of back-to-back housing (a notoriously cramped and insanitary housing type in which houses are built 'back-to-back', sharing a back wall)
1873	First tram line opened
1893	Sheffield officially decreed a city
1897	Sheffield University founded
1913	Stainless steel invented in Sheffield
1919	Council begins building social housing estates to north and east of the city centre
1926	Labour party first takes control of the City Council
1940	'Sheffield Blitz' bombing kills over 660 and destroys many buildings
1950s	Population peaks
1960s	Large-scale modernist housing estates constructed

With its concentration of industries, new technologies and inventive spirit, Sheffield became one of the leading cities of the industrial revolution, which began in Britain in the late 18th century. The 1800s saw the dramatic expansion of the metal-working industry in the city, with a critical role being played by a small group of entrepreneurial industrialists (Lawless, 1990).

By the late 19th century, Sheffield had established a number of the powerful steel-making companies, which drove the local economy. The entrepreneurial spirit was exemplified in Henry Bessemer, who had moved his steel company there in 1856 and subsequently invented the Bessemer Converter, enabling the mass production of steel (Lawless, 1986).

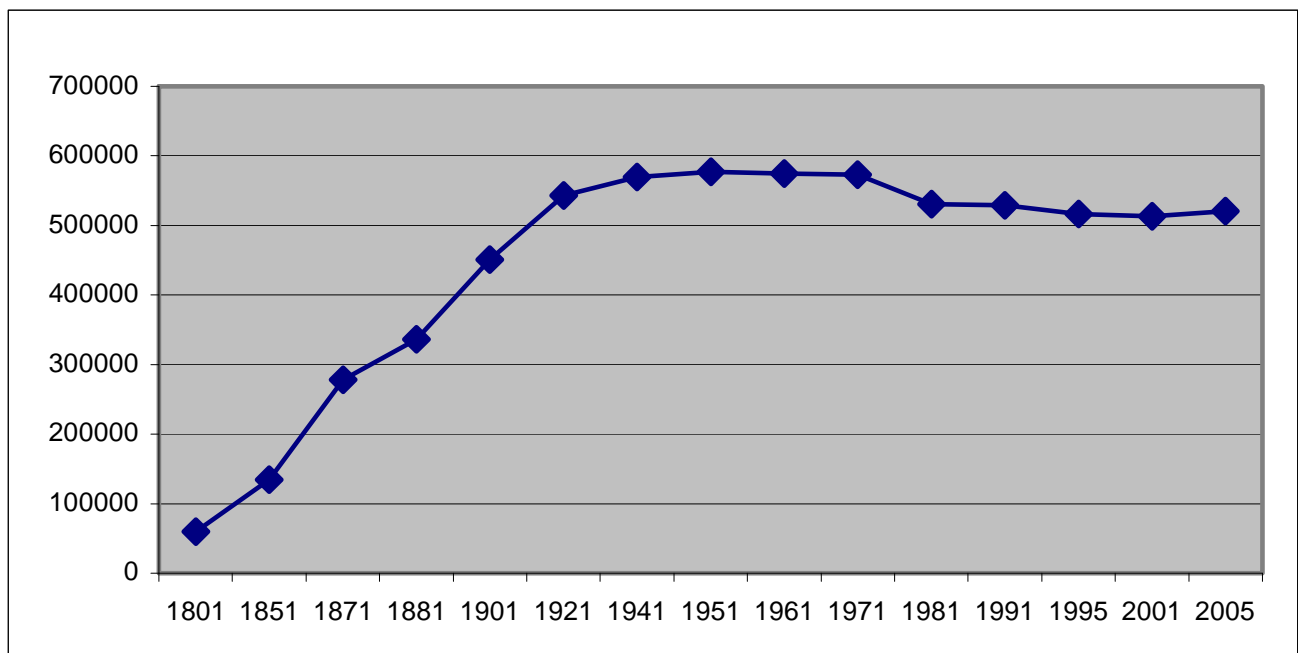
At the turn of the century both light metal goods and heavy steel production and engineering were flourishing, employing up to 75,000 people by 1911 (Watts, 2004). All local industries used coal, which was mined in the coal seams of nearby pits in Barnsley and Doncaster. This proximity to major reserves of coal underpinned Sheffield's industrial success in the same way as coal fields have influenced the location of several great industrial cities, the expense of transporting such a bulky and heavy raw material creating a major incentive to locate factories and towns close to coalfields (Baines and Woods, 2004).² Nearby Barnsley and Doncaster grew into the main towns of the South Yorkshire coalfield, which supplied Sheffield's factories, while nearby Rotherham developed its own flourishing steel industry.

Further inventions from Sheffield's steel entrepreneurs helped sustain the city's position as a leading global steel manufacturer. Local inventor Harold Brearley invented stainless steel in 1913, giving the city's manufacturers a more durable material which proved popular. The international reputation of Sheffield's cutlery was founded on its silver-plating techniques and stainless steel, both developed in the city.

Population growth

The city's population grew in step with its industrial success, expanding between 1801 and 1851 from 60,000 to 161,000 (Vision of Britain, 2007) (see Fig. 5). Closely-packed terraced housing was hastily erected to house the growing numbers of migrants arriving in the city from the surrounding countryside and regions to man the metal factories and the mines.

Figure 5: Population development, Sheffield, 1801-2005



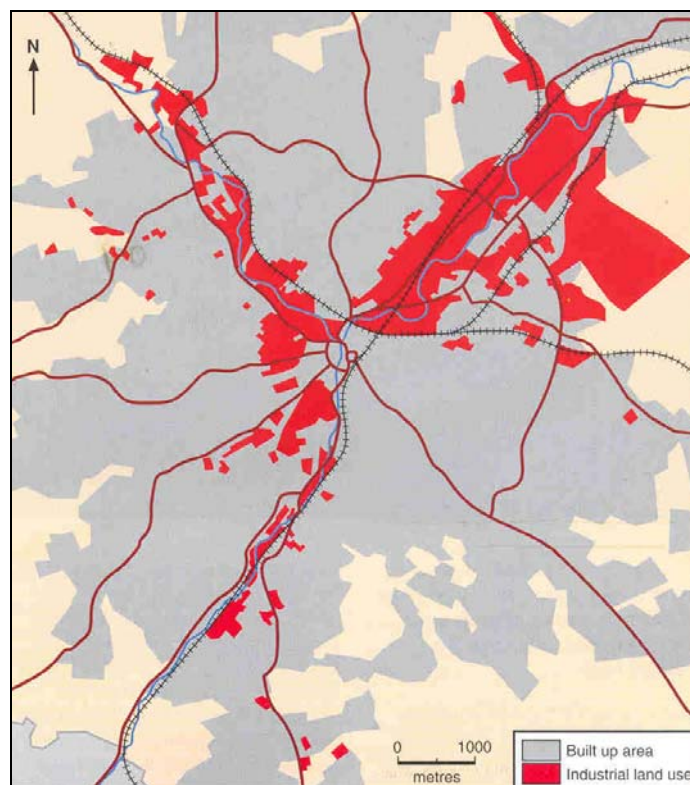
Source: ONS (census and mid-year population estimates), www.visionofbritain.org.uk

Note: The figures for 1995, 2005 and 2006 are ONS mid-year population estimates

² Between 1841 and 1911, the population living in Britain's coalfield regions quadrupled from 1.3 million to 5.3 million (Baines & Woods 2004).

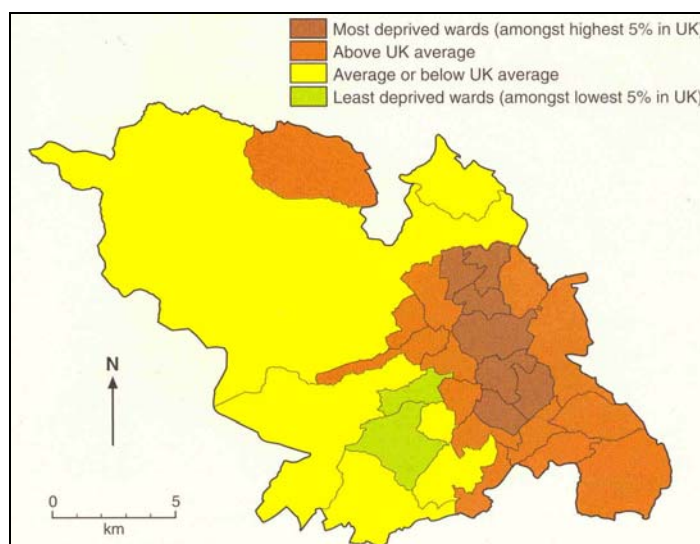
Much of the terraced housing was built along the Lower Don Valley on the expanding eastern side of the city, close to the growing numbers of steel works located there (see Fig. 6). The factory owners built palatial mansions in the picturesque West of the city bordering the Peak District and free from the smoke stacks of the East. The pattern of social segregation which still characterises the city, an affluent West and a deprived North and East, developed in this way (see Fig. 7).

Figure 6: Patterns of industrial land use, Sheffield and Lower Don Valley



Source: Josvig, 1968

Figure 7: Index of Multiple Deprivation, by ward – Sheffield compared to the UK average, 2000



Sources: ONS (2000); Reid (2001); Watts (2004)

Harsh working conditions and the high concentration of manual workers among the population gave rise to a dynamic workers' movement in Sheffield, and the city became a centre for trade union organisation and agitation. In 1843, the Corporation of Sheffield was established by local civic leaders in recognition of the need for a local government to tackle the city's basic conditions (see Box 2).

Box 2: The development of local government in England

1835	Municipal corporations created in urban areas, establishing a comprehensive system of local authorities to act as agencies of the State and fulfil central government's functions at the local level, particularly with regard to addressing social problems (Corporation of Sheffield founded in 1843)
1888	Creation of the two-tier system of counties and boroughs, which still exists in non-metropolitan areas of England (Sheffield attains county borough status in 1889)
1974	Introduction of a two-tier system of counties and districts, and of metropolitan counties and metropolitan districts in six heavily-populated urban areas (Sheffield becomes a metropolitan district in the metropolitan county of South Yorkshire)
1986	The Conservative government, under Margaret Thatcher, abolishes the metropolitan counties (Sheffield regains its county borough status)
1990s	Establishment of 9 Government Offices for the Regions, to represent central government in the regions
1999	Establishment of 9 Regional Development Agencies, to coordinate economic development in the regions
2000	Introduction of an optional elected mayor model – outside London no major city has adopted this model

Source: Stevens, 2007

Inter war slum clearance and re-building

Sheffield served as a major centre for the manufacture of armaments during World War I. By the end of the war, the city's population was rising by some 5,000 people annually and had reached half a million (see Fig. 5). The City Council took the bold step of commissioning the town planner Patrick Abercrombie to develop a strategic plan for Sheffield in 1919. This move reflected a growing confidence in the virtues of planning and collective organisation following the war. Abercrombie wanted to eliminate city centre housing, proposing a series of low density satellite settlements around the city centre, displacing an estimated 125,000 people (Fawcett, 2000). In addition to this proposal to replace existing homes, there was new demand because of population growth. Abercrombie's plan for Sheffield rationalised the city's structure, offering a complete layout of open spaces running up from the city centre into the Peak District (Moggridge, 1998), which gave Sheffield its attractive layout of 'villages' of housing interspersed with green spaces (see Fig. 8).

Figure 8: Meersbrook Park, one of the city's many green spaces, with a view of the city centre



Source: http://www.sheffield-fm.co.uk/meersbrook_park.htm

At this point, the City Council took on an increasingly dominant role in housing provision. In the 1920s and 30s, government funding helped clear some of the older terraces of housing from the city centre and drove the construction of major housing estates in the North and East of the city, adopting the garden suburbs lay-out. Between 1919 and 1940, the City Council built almost 27,000 new publicly-owned dwellings (Watts, 2004), although very little clearance was carried out due to housing pressures.

During World War II, Sheffield once again served as an armaments producer and was thus the target of bombing raids which destroyed much of the surviving Victorian terraced housing near the city centre.

Post-WWII

By 1951 the city's population had reached 577,050. Planning and house building took off during the 1950s and 60s, shaping much of the contemporary city layout. The Lower Don Valley, a mixed-used housing and factory area stretching several miles east of the city centre (see Fig. 6), was re-zoned for industrial use only, clearing all existing housing. Meanwhile in the older inner residential areas of the city, the City Council embarked on a comprehensive redevelopment process which lasted until the late 1970s, demolishing large areas of condemned housing to build giant modern concrete council estates including Park Hill flats (see Fig. 9), Hyde

Park, Kelvin and Norfolk Park (Watts, 2004). The process of large scale slum clearance contributed to the decline in population of the city that began in this era (PEP, 1981).

Fig 9: The inner city Park Hill Flats estate, nearly 1,000 units, between 1956 and 1961



Source: www.sheffield-fm.co.uk/park_hill_8206.jpg

Largely because of its topography and the fact that its affluent neighbourhoods to the west of the city were hemmed in by the protected Peak District National Park, Sheffield did not experience suburbanisation and middle class flight on a comparable scale to many other British cities such as Leeds and Manchester, even from the early days of the 20th century. Meanwhile, to the poorer East of the city, there developed an over supply of council flats as the manufacturing population began its long decline. By the late 1970s, there were already significant vacancies in these working-class neighbourhoods (Watts, 2004).

2. CRISIS

Until the 1970s, Sheffield had boasted virtually full employment, with unemployment rates consistently below the national average. The global oil shock of 1974 and the increasing globalisation of trade and manufacturing dealt a major blow to British industry and Sheffield was among the cities hardest hit. Its status as a centre for primary production with an economy which was heavily reliant on its manufacturing sector, left it highly vulnerable in the face of industrial decline. Its neighbours Manchester and Leeds had more diversified exchange-based economies, providing some measure of protection. To compound the problem, many of Sheffield's steel firms had failed to adapt to changes in the market during the late 1970s as the country began to de-industrialise, increasing their competitive disadvantage. Meanwhile corporate restructuring within the steel and heavy engineering sectors was greatly reducing local control of production, and the number of major headquarters in the city fell steadily (Lawless, 1990).³

With the national economy in recession, Margaret Thatcher's Conservative government was elected in 1979. The new government privatised key national industries including the two industries driving Sheffield's city and regional economies, steel and coal. Factory closures in Sheffield, which had begun in the late 1970s, accelerated through the 1980s, with the local unemployment rate exceeding the national average for the first time in 1981. It almost trebled in just four years, rising from 4% in 1978⁴ to 11.3% in 1981 (Digaetano and Lawless, 1999). By 1984 unemployment stood at 15.5%, and the manufacturing industry which had employed almost 50% of the city's workforce in 1971 employed just 24% by 1984 (Sheffield City Council, 1993).

Council steps into the breach and takes the lead in regenerating Sheffield

Sheffield City Council had been controlled by the left-wing Labour party for an almost unbroken period since 1926, and had a long history of practising a form of municipal socialism based on high expenditure on local services (Seyd, 1990). Like all British local authorities, the City Council was dependent on central government and played a limited role in economic development. It was therefore unprepared for dealing with the widespread effects of the economic and social crisis into which the city had been so rapidly plunged. One local government official expressed it powerfully:

"I was shocked rigid; there were 1,000 acres of derelict land in the Lower Don Valley, which I remembered as the powerhouse of the city's economy. There was very little activity in the city centre, so few planning applications... It's difficult to get over to you how desperate things were. The decline was so fast ... and the city was frightened, in shock. The political reaction was 'blame it on Thatcher'" (Interview, 2007)

With the private sector firms that had traditionally dominated the local economy deserting the city, the City Council stepped into the breach. "The reaction was for the public sector to lead the city out of its decline; the

³ In 1976, 22 of the 1000 largest UK firms had headquarters in Sheffield; by 1987, only 13 remained (Watts 1989).

⁴ The national average for 1978 was 6% (ONS).

city would grow its own businesses” (interviewee, 2007). The Council itself employed over 21,000 people by the mid-1980s, a figure more than five times the workforce of the largest private firm in the city, and with a budget of around £250m – “[its] potential impact on the local business environment was real” (Crouch and Hill, 2004, p 182).

The Council thus made a commitment to addressing the deep economic problems of the city through a generous spending regime, which was to continue until the mid-1980s. The notion was that if the market could not be relied upon to sustain Sheffield’s economy, then Sheffield would have to generate its own economy using its own brand of ‘social reform managerialism’ (Booth, 2005). It was a strongly ideological stance, born of feelings of both shock and defiance at the rapid decline of such a powerful local manufacturing economy, the main source of pride and identity for so many local people. The closure of the mines in Sheffield’s city region and the leadership of two bitter miners’ strikes in the 1980s, based in the city, fed into this ideology. Violent police battles made national headlines and union militancy eventually created a damaging legacy of hostile relations and a desire by potential employers to avoid troubled labour relations. These were bitter and desperate times for Sheffield.

Central government imposes harsh market discipline on cities

Sheffield’s local government-led approach to regeneration was clearly at odds with the market-oriented policies of Thatcher’s Conservative government, which believed that private investment was essential for reviving economically depressed areas. The new government’s approach to the economy was characterised by a belief that local government was not an effective partner (Leunig and Swaffield, 2007). Consequently, this period is characterised by an increasing degree of antagonism between Sheffield City Council, determined to create a new locally-determined future for a city abandoned by the private sector, and the Thatcher government, determined that the private sector play a major role in regenerating cities. By putting itself at odds with the government, Sheffield, with a small handful of other councils, missed out on major government funding programs for some time.

Box 3: Sheffield regeneration timeline, 1981-2007

1981	City Council founds its Department for Employment and Economic Development (DEED)
1984-5	National miners' strike headquartered in Sheffield
1986	South Yorkshire Metropolitan County abolished by central government
1986	City Council founds Sheffield Economic Regeneration Council (SERC)
1987	Meadowhall out-of-town shopping centre sanctioned by City Council
1988-97	Sheffield's Urban Development Corporation (SDC)
1988	Bid to host World Student Games won
1990	Meadowhall out-of-town shopping centre completed
1991	World Student Games hosted
1991	City Council's 1st City Challenge funding bid rejected
1992	City Council's 2nd City Challenge funding bid rejected
1992	City Liaison Group (CLG) regeneration agency founded
1994-08	Single Regeneration Budget funding
1994	Supertram opens
1995	Core Cities lobbying group of eight regional cities founded; Sheffield is lead partner
1997	New Labour national government elected
1997	Appointment of new partnership-oriented Council Chief Executive
1998	CLG becomes Sheffield First Partnership (SFP)
2000-06	Sheffield's South Yorkshire city-region qualifies for EU Objective 1 funding
2001	Sheffield First for Investment inward investment agency founded
2001	Sheffield's Burngreave neighbourhood awarded New Deal for Communities funding of £52m for 10 years
2001	JOBMatch inward investment programme launched
2001	Jobnet community-based recruitment service founded
2004	'Northern Way Growth Strategy' for northern regions launched
2004	'Closing the Gap' policy for neighbourhood renewal launched
2005	Robin Hood Airport Doncaster Sheffield opens
2007	Sheffield City Region Forum founded
2007	Creative Sheffield city economic regeneration company founded

The Council's economic development initiatives

The Council set up its own Department for Employment and Economic Development (DEED) in 1981 (see Box 3), with a strategy to develop local cultural and media industries, and to support the formation of worker cooperatives producing 'socially useful' products such as software for the blind. The cultural strategy led to the creation of a Cultural Industries Quarter in a centre-city neighbourhood of disused metal workshops, to house small-scale businesses such as the Red Tape recording studios (Dabinett, 2004). However, DEED lacked the necessary resources or know-how to attract major new growth sectors. Sheffield's collision course with central government dampened any enthusiasm the market may have had for investing in the city (Digaetano and Lawless, 1999).

Meanwhile, the City Council's restrictive approach and several unwise investment decisions made it very difficult for the city to recover its position (Aylen, 1984). The City Council promoted its locally-rooted regeneration policies in the belief that the economy was suffering a temporary set-back and that the burden of financing new expenditure would ease when the recession ended (Strange, 1993). Yet by the mid-1980s, it was forced to accept that, "in the face of global competition and a largely hostile central government, much of the distributed funds were being wasted" (Crouch and Hill, 2004, p 183).

Central government reduces autonomy of local government

By the mid-1980s, central government employed increasingly draconian tactics to force left-leaning local authorities, of which Sheffield City Council was a leader, to comply with its 'privatising' ethic and cooperate with the private sector in its regeneration efforts. The mechanisms by which it did this were twofold. Firstly, it clamped down on local authorities' limited funding capacity by 'capping' their ability to raise local taxes – a practice commonly known as 'rate-capping'. The only other main source of income was central government. Secondly, it removed key regeneration functions from local government control by creating single-purpose agencies independent of local government, and introducing competitive tendering (Elcock, 2006). Sheffield was subjected to rate-capping in 1985, and again in 1987. In addition, the Thatcher government further curtailed the power of local government by dismantling the city-region governance frameworks of the metropolitan counties (see Box 2). The South Yorkshire Metropolitan County was thus abolished in 1986, following lengthy disputes with central government that earned Sheffield the affectionate nickname of 'capital of the Peoples' Socialist Republic of South Yorkshire' among Labour activists. By this time, the City Council's finances were such that it could simply no longer afford to continue funding its own home-grown regeneration initiatives.

Central government forces the pace of change

In 1980, a year after coming to power, the Thatcher government had launched its first Urban Development Corporation (URC) in London as a direct attempt to involve private sector finance in regeneration (see Box 4). The URC model was that of a special-purpose government-mandated agency tasked with regenerating core, former industrial zones within the centre of cities. They had been set up in other cities in 1981. Their boards were private sector-dominated, although local authorities and central government were represented on them. Through the allocation of special planning powers to these new *quangos* central government was able to wrest control over infrastructure and economic investment from local government.

Sheffield had resisted the imposition of an Urban Development Corporation (UDC) from their creation in 1981 but finally, in 1988, the Sheffield Development Corporation (SDC) was formed to take in hand the regeneration of the city's industrial heartland, the Lower Don Valley, in what seemed a direct challenge to the Council. The Council resented losing its planning powers to the Sheffield UDC (although two local councillors sat on its board throughout the SDC's existence) (Booth, 2005).

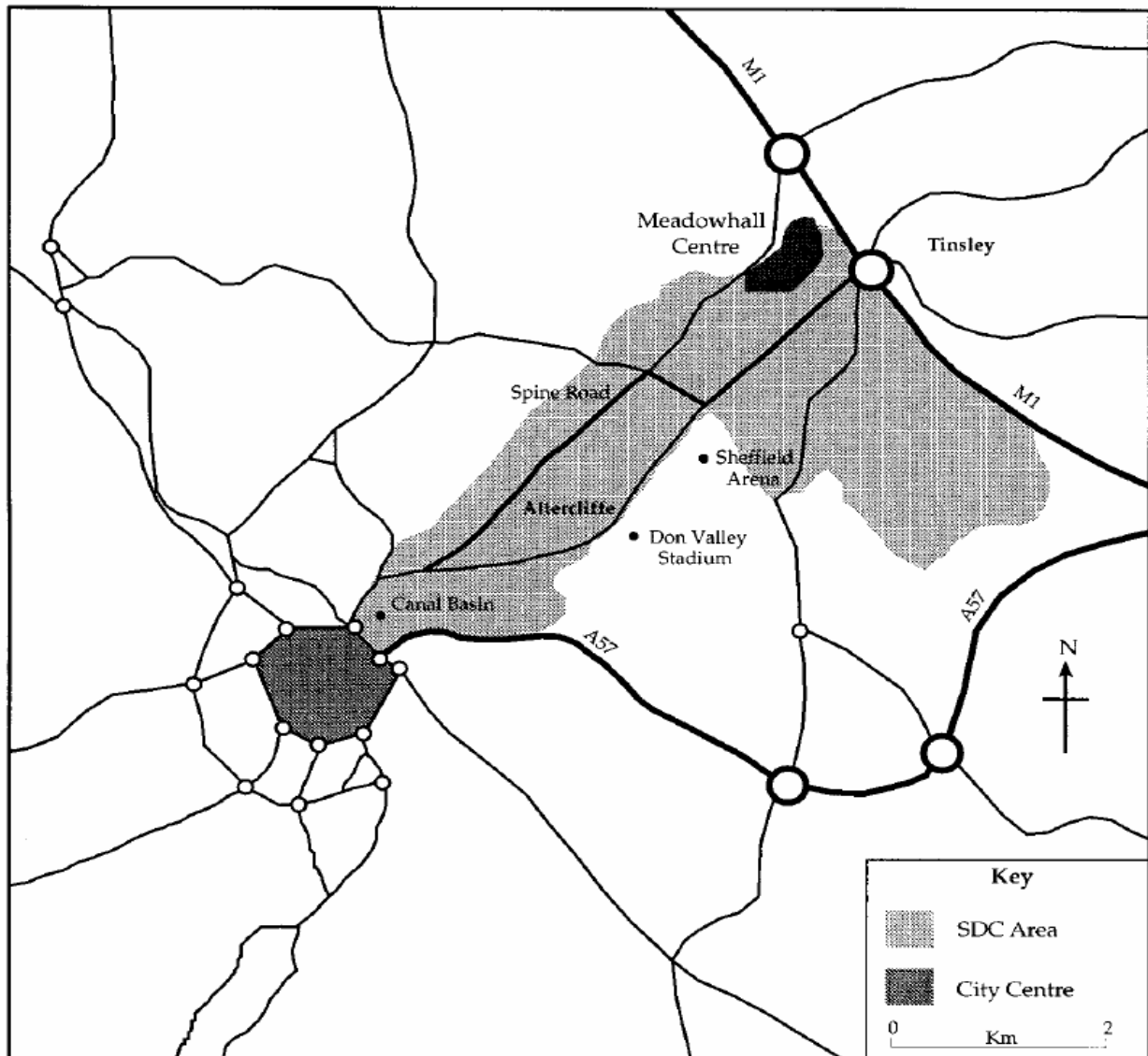
Box 4: UK government regeneration initiatives 1980-2006

1980	Urban Development Corporations set up: independent fixed-term agencies managed by boards with strong private sector membership, mandated by central government to regenerate specific zones within cities over which they were given planning and land acquisition powers
	Enterprise Zones set up
1991	City Challenge programme: a 5-year central government programme aimed at regenerating specific inner city areas to improve quality of life for residents. Run as competitive-bid scheme, awarded to partnerships that included local authorities.
1993	English Partnerships national regeneration agency founded
1994	Single Regeneration Budget (SRB) programme: a re-packaging of 20 government regeneration programmes to make regeneration funding simpler. Local authorities and local communities could apply for funds to develop initiatives to improve quality of life in their area. Ran until 2007
1997	Social Exclusion Unit founded
1998	Education Action Zones (+ Health, Work, etc) set up
1998	New Deal for Communities programme: area-based initiative tackling job prospects, crime, educational underachievement, poor health and physical environment in cities. Run by a partnership involving residents. 39 projects in total, each awarded around £50m
1999	Regional Development Agencies founded for nine regions
1999	Urban Task Force set up to propose ways of improving the physical quality of cities
2000	Urban Regeneration Companies set up: special-purpose non-profit companies dedicated to regenerating a specific zone in a city, in which local authorities played a more central role than in the UDCs. Sole board members are the local authority, the local Regional Development Agency and English Partnerships (by 2005, there were 21 URCs)
2000	Community Strategy: under the Local Government Act of 2000, all local authorities must prepare a strategy for promoting the economic, social and environmental well-being of their area
2000	Business Improvement Districts set up
2000	Neighbourhood Renewal Unit founded
2001	Local Strategic Partnerships: umbrella partnerships set up by the 88 most disadvantaged local authorities at the request of central government, bringing together public, private, voluntary and community sectors to coordinate the work of specific partnerships.
2001	Neighbourhood Renewal Fund: funding awarded to the 88 most deprived local authorities
	Urban and Rural White Papers published
2002	Housing Market Renewal Pathfinders set up to regenerate low-demand housing in nine areas
2003	Sustainable Communities Plan published
2006	Local Government White Paper published

Sources: Sustainable Development Commission, 2003); Leunig and Swaffield, 2007, <http://preview.eukn.org/unitedkingdom/urban/index.html>

Sheffield Development Corporation was not linked into any city-wide strategy, and was free to decide its own agenda. It was given planning powers over a 2,000-acre stretch of land on the left-hand side of the Lower Don Valley (see Fig. 10). With a budget of £50 million, it demolished most of the valley's abandoned steel mills, laid a major road down the middle to improve access, and created a new low-density landscape of commercial, conference and music venues. It also built a small civic airport, which proved financially unviable and has since closed. However, by the time it wound up in 1997, Sheffield UDC was seen to have been "instrumental to securing the physical regeneration of the valley" (Booth, 2005).

Figure 10: Map of Sheffield city centre and the Lower Don Valley, showing the Sheffield Development Corporation area



Source: Dabinett and Ramsden, 1993

The Council had neither the power nor the resources to plan more long-term regeneration initiatives on its own, and began to look around for opportunities and project funding from other sources. It wanted keenly to find new uses for vacant industrial land in the Lower Don Valley. In 1987, city planners sanctioned the building of an out-of-town shopping centre, Meadowhall, at the end of the valley:

“In some ways it must be understood as an act of desperation on the part of the City Council faced with an overwhelming problem of dereliction and decline” (Booth, 2005, p 265).

Indeed, although Meadowhall did create jobs and return activity to the far end of the Lower Don Valley, it also poached shoppers from Sheffield’s city centre, further reducing the city’s economic viability:

“It was a Hobson’s choice for the city. Inside the Council we foresaw the negative impact on the city centre, but we didn’t have the funds to do anything about it” (interviewee, 2006)

New partnerships take root

Meanwhile the city began its first attempts at the partnership working with the private sector that central government' was pressing for, with the creation of the Sheffield Economic Regeneration Committee (SERC) in 1986. The Council was still reluctant to cede its control over local affairs, and the SERC partnership remained essentially a Council committee which consulted with the private sector; "multi-national companies, the media and representatives of central government were conspicuous by their absence" (Lawless, 1990).

SERC submitted a hosting bid to the committee of the World Student Games, which it won in 1988. It was decided, on the basis of the bid, that sports and leisure would provide a new focus for regeneration activity in Sheffield and create jobs in the service sector, helping drive the economic restructuring of the city. The success of the bid resulted in the construction of some high-quality sport-related infrastructure in the Lower Don Valley, including a 25,000-seater athletics stadium and a 10,000-seater arena and exhibition centre. However, national government legislation introduced in 1988 further constrained the City Council's borrowing and spending powers. Meanwhile, a television deal fell through and with it millions of pounds of corporate sponsorship, and the Conservative government (unsurprisingly given its bitter relationship with Sheffield) refused to bail the Council out.

While the Games themselves ran smoothly and their infrastructural legacy has benefited the city, a financial crisis resulted from the Council's inability to raise sufficient private finances to pay for the games. The city was forced further into debt to meet the £177 million infrastructure and running costs of the event (Middleton 1991). Already heavily indebted, the municipality hit a financial crisis. It was forced to lay off several hundred workers the following year, and is still paying off the debts incurred by the Games.

Supertram

SERC continued to promote city-led regeneration projects, but in much closer collaboration with central government. In the early 1990s one of the most striking examples of major public investment was the project to build a new tram for Sheffield. This received £233 million from the government and £7 million of private funding, most of it from the developers of the Meadowhall shopping mall who stood to benefit directly from the fast public transport links it provided. The tram's route was chosen to prioritise the neighbourhood regeneration potential to the East and the North without assessing carefully enough potential usage. The plan was to extend the tramline to the West of the city but the network ran out of money when only one line to the East was complete, having failed to attract anything like the predicted passenger numbers. It was loss-making from its opening, and was sold off for £1 million to a private bus company in 1997 in an attempt to cut its ongoing losses.

Following the disastrous financial impact of the World Student Games, the failure of the Supertram and several loss-making economic development projects in the cooperative field, the City Council was forced into making further drastic budget cuts, closing (among other things) residential homes for the elderly, public lavatories and libraries. The city was at risk of losing out in the changing economy of Britain.

Political change creates more favourable climate for local government

With the change of Prime Minister in 1991, from Margaret Thatcher to John Major, central government regeneration policy modified its anti-local government stance. It now moved towards a more conciliatory approach that prioritised cooperation with local authorities (Booth, 2005). New competitive-bid funding schemes such as City Challenge were announced in the early 1990s, with partnership working within the local authority as a key funding requirement (see Box 4). Through its Council-dominated SERC committee, Sheffield submitted two bids for City Challenge, both of which were rejected.

Council deepens partnership efforts

The early 1990s marked a decisive shift in the City Council's attitudes and approach to partnership working. The Council recognised that not only central government but also the European Union, an important potential source of funding with the attraction of offering a counter-weight to central government, required all applications to reflect local partnerships rather than representing single public or private bodies (Crouch and Hill, 2004).

Recognising that refusal to work in partnership would starve the city of regeneration resources, the City Council launched its second attempt at partnership, the City Liaison Group (CLG), in 1992. This differed from SERC in that it was no longer a Council committee but an independent agency, and represented a wider array of interests including the private sector, development agencies, higher education and the health services (Booth, 2005). Both of the CLG's early bids for regeneration funding from the national Single Regeneration Budget programme (see Boxes 3 and 4) met with success. Central government was finally convinced by the City Council's commitment to work in genuine partnership with the private sector (Dabinett and Ramsden, 1999).

The gradual shift that had taken place during the late 1980s and early 1990s, from Council-dominated, home-grown regeneration initiatives to partnership-led initiatives involving private and (increasingly) voluntary sector stakeholders, had happened largely in response to pressures from central government and the European Union to adopt a new corporate pro-partnership approach to its affairs.

With this new way of working, Sheffield City Council began to develop increasing numbers of regeneration initiatives that, in meeting central government's requirements for partnership working, attracted the funding it so desperately needed. Within the space of a decade, the City Council had transformed its stance toward business from hostility to pro-partnership, driven by three main factors; the need to reduce unemployment, the tight financial constraints imposed by central government, and the failure of city-sponsored economic development projects.

The transition to this new approach to regeneration, in which the City Council no longer tried to be sole agent of change but worked together with a network of non-municipal organisations to achieve its goals, provided a turning-point in Sheffield's recovery trajectory. The new responsiveness to the partnership-oriented funding requirements of national and international governments yielded a major increase in funding for Sheffield City Council's regeneration. As a result, the Council was able to start developing the scale and variety of projects needed to address the range of economic and social problems the city still faced.

3. RECOVERY: ACTION TAKEN

3.1 Political action

In 1997, the Labour party under Tony Blair came to power for the first time in 18 years, and shifted the focus of the urban regeneration debate. New Labour's emphasis on combating social inequality by focusing on neighbourhoods in which poverty was concentrated spawned a range of new area-based policies to support cities such as Sheffield with high levels of neighbourhood inequality. At the same time, central government kept in place tight financial controls, a private sector orientation and a strong economic focus.

Centralism continues, and so do partnerships

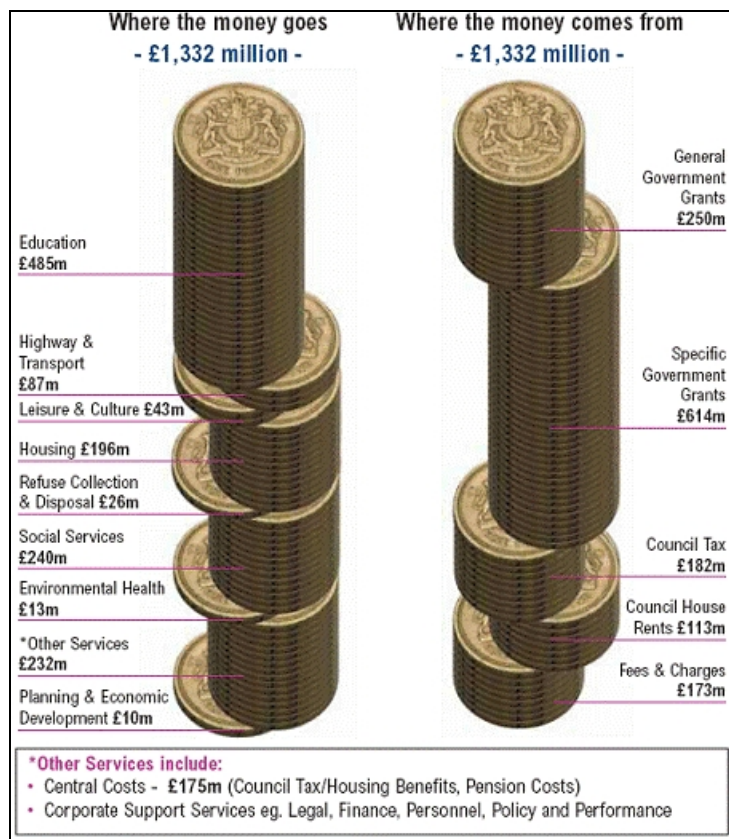
Planning major infrastructure, borrowing and revenue-raising were still centrally-controlled. The budgets of local authorities such as Sheffield City Council are largely made up of government grants with clear guidance for how they should be spent (see Fig. 11). At the same time, a growing range of government functions were transferred to *quangos*,⁵ and new functions were created through government agencies such as the Learning and Skills Councils, the Regional Development Agencies and the Environment Agency (see Fig. 12). Funding with 'strings attached' prevented the City Council from spending its resources in a coordinated way on their priorities. However given the track record of urban local authorities, and the now-recognised success of both arm's length agencies such as Urban Development Corporations and regional partnerships such as City Challenge and Single Regeneration Budget projects, the government was in no mood to take chances.

The New Labour government focused regeneration initiatives on addressing specific areas of multiple deprivations within cities. It continued the tradition of competitive area-based programmes managed by partnerships, but with a stronger emphasis on the involvement of local communities (such as the New Deal for Communities programme, from which Sheffield's inner-city Burngreave neighbourhood benefited) (see Boxes 3 and 4). The European Union also continued to emphasise local community participation and partnership working in its funding requirements for Objective 1 and Urban programmes⁶ (Fothergill and Grieve Smith, 2005).

⁵ A *quango* is defined as a 'quasi non-government association', a non-governmental organisation which performs governmental functions, often with government funding or other support.

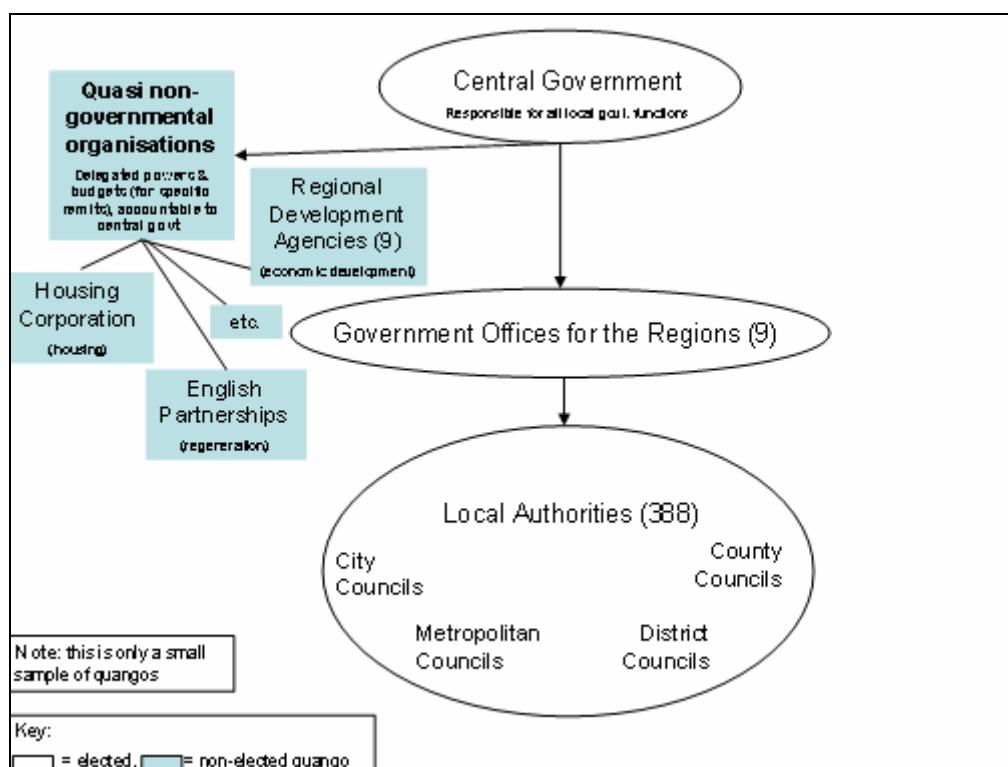
⁶ Fothergill argues that between 2000-2006, the EU was "arguably the biggest single financial contributor to UK regional economic development", spending over £1 billion per year (2005, p 661). This had to be matched by national and local funds.

Figure 11: Breakdown of Sheffield City Council revenue spending 2007-2008



Source: Sheffield City Council, 2007

Figure 12: Current structure of local government in England



Note: There are many other *quangos*

With few independent resources, the most useful approach for Sheffield City Council was to become more efficient at managing the resources it was given, and to create structures that coordinated the wide range of centrally-mandated initiatives, agencies and funding streams at city level. It also needed to develop the efficiency of its partnership structures, now recognised as the *sine qua non* of regeneration funding.

Effectively, the City Council had to get the best possible value out of the policies and programmes central government handed down to it, and become skilled at bidding for funding, while working with partners from local communities and the private sector.

For these reasons, the Council's new partnership- and efficiency-oriented Chief Executive and its major partnership management body, the Sheffield First Partnership board (the successor of the City Liaison Group), were to become important factors in accessing regeneration funding.⁷ The third important factor was the city's lobbying activities for achieving more resources and city-friendly policies.

Improving partnership working and efficiency: new Council Chief Executive

The City Council's new Chief Executive⁸, Bob Kerslake, put in place stronger systems to make the Council more efficient and improve its ability to work in partnership with other sectors and organisations. This in turn increased its access to funding streams from both the British government and the EU.

The new Chief Executive reported arriving at the Council in 1997 to find a "lack of joint working between departments (let alone with partners) ... a dire budgetary situation ... and a lack of resources" (Kerslake 2005, p 38). To remedy this, the Council's 14 departments were streamlined into five executive sections, a quarter of Council services were outsourced to trusts and the private sector, and systems were set up to "measure and monitor performance at all levels" (p 38).

The Chief Executive's role as a unifying force in the city, an articulate representative and a prominent promoter of pro-city policies and resources, is widely referred to as critical to galvanizing recovery action and funding by local actors involved in the regeneration process. For example, when South Yorkshire qualified for EU Objective 1 status in 2000 (awarded to regions whose GDP is below 75% of the EU average), the Chief Executive persuaded the surrounding city region authorities to recognise Sheffield as the urban hub of the sub-region, thus boosting the city's status and attracting additional infrastructure funding.⁹

⁷ Sheffield First's own definition of its purpose in official documents includes the activity of "[presenting] a united view to Government (UK and European) in attracting the support and resources to do what needs to be done" (SFP, 2006c)

⁸ The Council Chief Executive is appointed by the councillors, and takes overall responsibility for council employees and for managing the council as a corporate entity. This role is apolitical, and very different from the role of elected Mayors in other European countries in our study.

⁹ The Objective 1 programme aims to stimulate significant new investment from the public and private sectors across a range of initiatives designed to transform the local economy. Although the city had also received Objective 2 funding during the 1990s, these sums were small in comparison (Watts 2004).

Coordinating partnership activity and setting priorities: Sheffield First Partnership

The Sheffield First Partnership Board coordinated the work of the multiple thematic partnerships within the Council that now ran much of the city's regeneration-related activity (see Fig. 13). Each particular partnership focused on a specific theme, with all of them reporting to the over-arching Sheffield First Partnership Board. This approach was very innovative at the time (Watts, 2004).¹⁰ The board debated the City Council's plans and sometimes challenged them in order to reach a consensus on what needed to be done. The partnership board's regular meetings were held in public, promoting transparent decision-making as well as inclusion (Audit Commission, 2004). Equally radically, each partnership within the board included stakeholders from the public, private, community and faith sectors.

Figure 13: Sheffield First Partnership Board



Source: Kerslake, 2005

Note: The Sheffield First Partnership Board (centre) coordinates the work of the individual thematic partnerships (represented as slices of the pie chart).

To set out a long-term vision for its activity, the partnership board conducts a major public consultation every three years to revise the City Strategy, first published in 2002 and now in its second iteration (see Box 4). As a result of these consultations, the partnership boards are realigned to reflect the new agenda in a revised strategy. The City Strategy is not legally binding, but it helps Sheffield City Council to focus in a longer-term way on addressing concerns raised by local residents. Both the City Strategy and the partnership board provide

¹⁰ In 2000 central government required that all local authorities set up Local Strategic Partnerships, including the Sheffield First Partnership, as bodies designed to link stake-holders including public service providers, councillors, and the voluntary, community and private sectors. It increased their importance by making them responsible for delivering regeneration funding allocated through the Neighbourhood Renewal Strategy. Through the Local Strategic Partnerships, the government aimed to increase community involvement in regeneration decisions.

an important element of continuity in the midst of so many varied and often uncoordinated central government initiatives.

Box 4: City Strategy 2005-10, 12 priorities

- Strong economy
- Vibrant city centre
- Well connected
- High employment and high skills in a learning city
- An exceptional cultural and sporting city
- Attractive, successful neighbourhoods
- Great place to grow up
- Good health and well being for all communities
- Low crime
- Environmental excellence
- An inclusive and cosmopolitan city
- Well run and well regarded

Source: <http://www.sheffieldfirst.net/our-partnerships>

In 2002, the Labour government made the partnership board model developed in Sheffield a requirement for every local authority as a way of formalising the participative decision-making process. These boards were henceforth referred to as Local Strategic Partnerships (LSPs), and the Sheffield First Partnership thus became the city's LSP.

Lobbying initiatives to drive urban policy development: the Core Cities network

Sheffield played a leading role in the creation of the Core Cities network in the mid-1990s, a lobbying group of the eight major English cities¹¹ facing serious economic restructuring and regeneration needs. This group articulated the investment and restructuring needs of cities, stating a powerful case for their future role in the economy. They lobbied for more local control over funding, arguing that “there is currently a plethora of different bodies and agencies charged with delivering regeneration ... often with overlapping remits and responsibilities. ... It makes sense to integrate at city and/or regional level the priorities for regeneration” (Core Cities, 2006). Meanwhile, Sheffield's Chief Executive and local community representatives argued for the city and its needs in central government panels and in policy debates. The Chief Executive was made a non-executive member of the Board at the government's Department for Communities and Local Government (previously ODPM), in recognition of his wider role in representing urban communities.

The Core Cities activity contributed to the creation of central government initiatives designed to aid urban areas (see Box 4). These include: the Housing Market Renewal strategy for the regeneration of low demand housing across the North of England affecting approximately one million homes; the Northern Way Growth Strategy, which raised the profile of Northern conurbations; new funding mechanisms such as Local Area Agreements, which aim to give local authorities new ‘freedoms and flexibilities’ in allocating funding; and new city economic regeneration companies such as Creative Sheffield (see below).

¹¹ Sheffield, Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

3.2 New recovery initiatives

City Centre strategy

Urban Regeneration Company 'Sheffield One'

Since 1994 the City Council had been developing a project called 'Heart of the City' to remodel the city centre. The centre lacked high-quality office space, and this project attracted economic development-related funding from the Single Regeneration Budget and the EU (Booth, 2005). This activity was expanded and the resources for it greatly increased with the establishment of a central government-mandated Urban Regeneration Company (URC) in 2001 – Sheffield One. URCs were a new government-backed policy vehicle for regenerating a specific zone in a city, successors to the UDC model but established in cooperation with local authorities, while being independent from them (see Box 4). The boards of these companies feature three key partners: the City Council, the local Regional Development Agency, and the national regeneration agency English Partnerships, which holds the necessary land assembly powers. They also consult with expert advisers such as economists, urban designers, commercial advisers transport experts, local employers, community representatives and the private sector.

The fact that Sheffield One was independent of the Council was significant as a factor in its success, giving its activity a clear focus and allowing it to escape shifting political pressures that may have limited its progress. It was able to unite a group of people with the right skills and resources to perform clear tasks based on the city's priorities, as agreed in the City Strategy (Audit Commission, 2004). The URC had responsibility for a tightly bounded zone in the city centre (within the 'S1' postcode). Backed by private and public (both national and EU) funding, the company adopted four objectives:

- building the centre's economic role;¹²
- creating a centre recognised as a place for learning, culture, retail, leisure and living;
- making the centre more accessible; and
- bringing high quality public spaces to all parts of the centre.

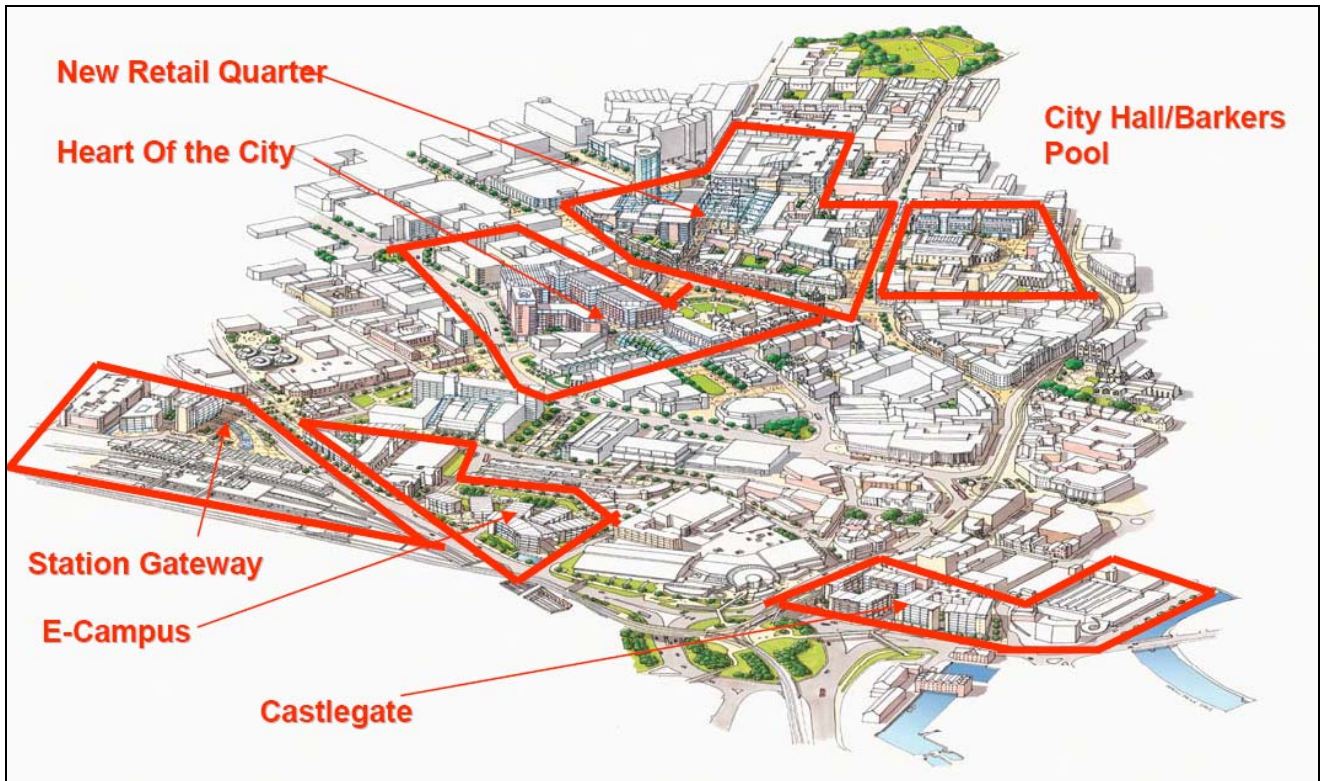
In collaboration with the City Council, Sheffield One produced a Masterplan covering seven areas of its city centre zone (see Fig. 14). It was keen to avoid the 1960s piecemeal approach to city redevelopment that had hampered other English city centres. The Masterplan's key projects were:

- the Heart of the City project; a group of public realm projects, including the Peace Gardens and the Millennium Galleries, designed to improve attractions in the centre;
- the new Retail Quarter; revamping the retail environment in the city centre;
- Sheffield Gateway Station; improving the look of and access to the main station;
- City Hall and Barkers Pool, refurbishing the old City Hall to create a cultural and conference venue within a mixed-use area;
- Castlegate, mixed-use developments in the city's historic 'gateway';

¹² Sheffield One states the Masterplan's "primary objective" as being "to create new jobs and ensure that local communities have access to them" (Sheffield One, 2001).

- creating user-friendly public and private transport networks in and around the centre; and
- a new e-campus for Sheffield Hallam University.

Figure 14: The Sheffield One masterplan map of the city centre, showing the seven key project areas



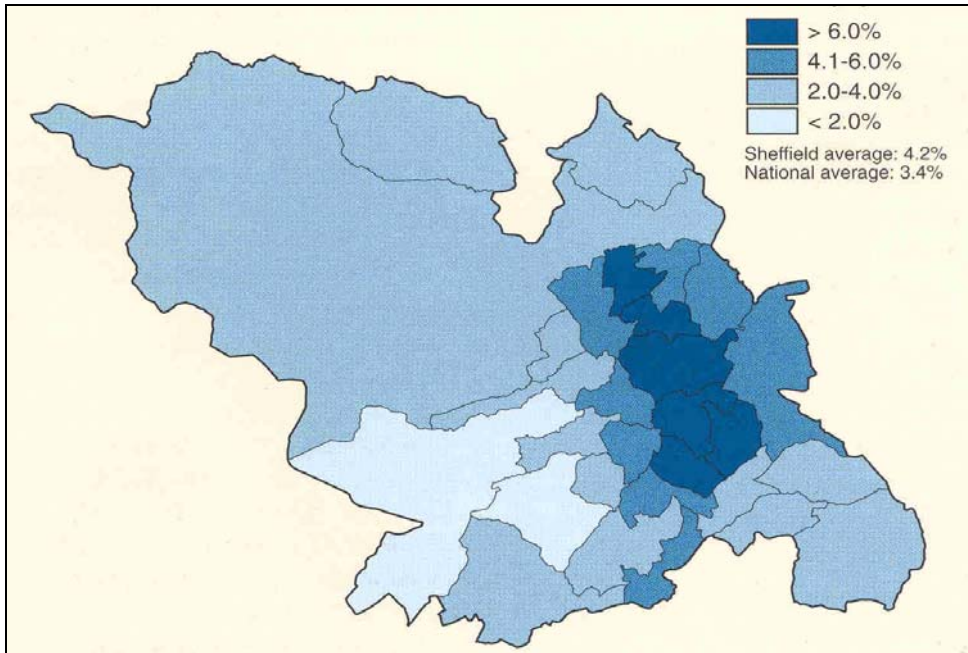
Source: Sheffield One, 2001

The Masterplan was drawn up to provide a basis for public sector investment in infrastructure which, it was hoped, would increase the confidence of the private sector to commit their own investment. Sheffield One used funding from the EU Objective 1 programme to gap-fund the building of private office blocks; a sign of the success of this strategy is that the private sector has now started building speculatively in the city centre. Certain aspects of the Masterplan were also implemented by the developers themselves, such as the £500m new Retail Quarter which is currently being constructed by the developers Hammerson.

Neighbourhoods strategy

To address the sharp inequalities between the city's neighbourhoods (see Fig. 15), Sheffield City Council has both designed and lobbied for a range of policies, focused on neighbourhoods, to address the disparities between the richest and poorest areas of the city. As the Core Cities report clearly states, coordinating such policies at the local level is a major challenge when funding arrives from different agencies who each have their own remits (Core Cities, 2006). In an effort to integrate delivery at city level, the City Council created its own neighbourhood regeneration strategy in 2004 to give a focus to related activity happening in the city, the 'Closing the Gap' policy. The Sheffield First Partnership board also created a new 'Successful Neighbourhoods Partnership' to coordinate all activities linked to this policy. The Council has also developed policies for better engaging with local residents and monitoring the progress of policy interventions.

Figure 15: Unemployment figures, by ward – Sheffield compared to the UK average, 2000



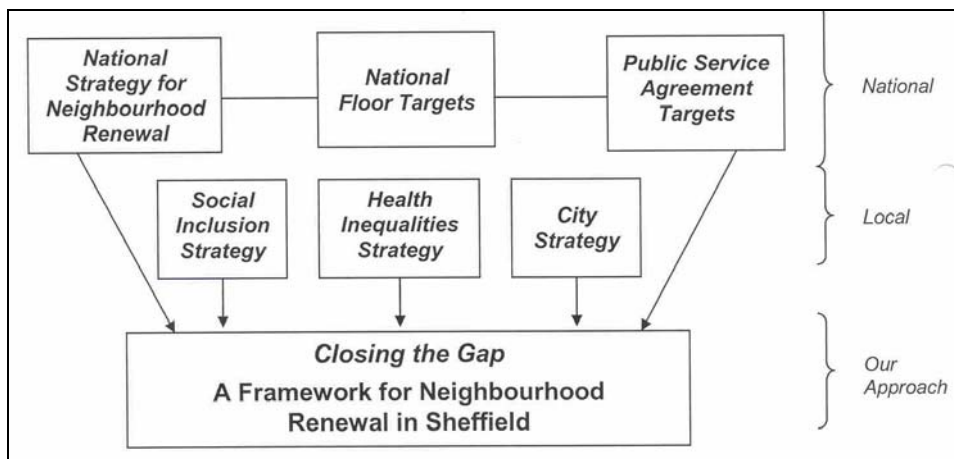
Sources: ONS, 2000; Watts, 2004

Note: uses 2000 census data

Closing the Gap neighbourhoods policy

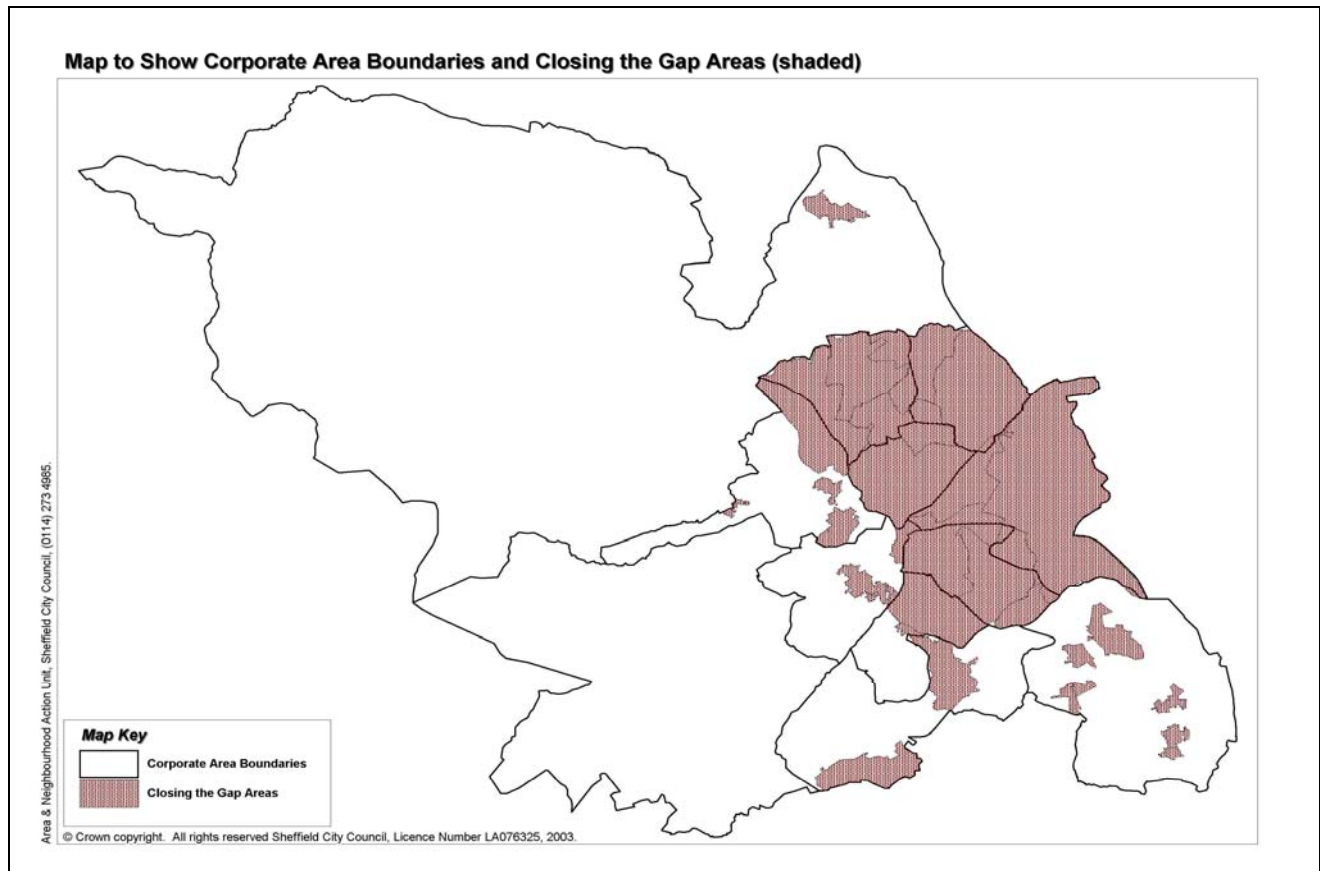
A third of Sheffield's households live in the 10% most deprived wards in the UK, and over a quarter of these households receive income support from the State (Sheffield City Council 2004). As a way of focusing the work of a large number of government initiatives and strategies and combining them into a single over-arching strategy for neighbourhood regeneration in Sheffield (see Fig. 16), the Council developed its policy 'Closing the Gap: A framework for neighbourhood renewal in Sheffield', published in 2004 (Sheffield City Council, 2004). The objective of this policy is to focus efforts and resources on the city's 100 most deprived neighbourhoods (whose combined population is almost 200,000), with the aim of closing the gap between these and the city average (see Fig. 17).

Figure 16: Policies feeding into Closing the Gap strategy



Source: Sheffield City Council, 2004

Figure 17: Closing the Gap target areas in Sheffield



Source: Sheffield City Council, 2004

Successful Neighbourhoods Partnership

To drive the implementation of the policy and achieve a simpler arrangement for delivering neighbourhood renewal, the Sheffield First Partnership members founded the Successful Neighbourhoods Partnership in 2005. This partnership coordinates work done by a variety of other bodies in neighbourhoods, as well as implementing the Closing the Gap policy.

Sheffield Neighbourhood Information System

In order to monitor progress on Closing the Gap and inform future activity, the Council identified the need for an evidence base at a neighbourhood level. Until this point, all data was collected at city level. It developed a diagnostic tool to collect data on key social and economic indicators at neighbourhood level, allowing change in each neighbourhood to be tracked over time. The Sheffield Neighbourhood Information System (SNIS), inaugurated in 2004, provides detailed data (44 indicators) on the 100 neighbourhoods targeted by the Closing the Gap policy. It has proved a very useful tool for pinpointing problems, which can then attract special funding. It has also been useful for monitoring the impacts of key policy interventions, at neighbourhood level. It can also be used to support further funding bids to national government, which prefers evidence-based claims and quantitative target-oriented schemes.

Local consultation: Area Panels

The Council developed an infrastructure of local groups called Area Panels to improve resident participation in regeneration activity. Each panel is made up of representatives from the local community and headed by the local councillor. The Sheffield First Partnership board divided the city into 12 Action Areas, each with its own Area Panel. The panel's brief is to improve the quality of Council services in the local area, and to get agencies to work together on local priorities. Area Panels have received small amounts of money from the national Neighbourhood Renewal Fund,¹³ which they allocate based on a Local Action Plan produced in consultation with local residents.¹⁴

Housing strategy: focused on neighbourhoods

Sheffield City Council has applied its neighbourhood-based approach to local housing renewal in the city. With its decaying Council housing stock, the city received substantial funding from national government for repair as part of the Decent Homes¹⁵ and Housing Market Renewal programmes.

A substantial amount of the funding for housing improvement in Sheffield's most deprived neighbourhoods came through the Housing Market Renewal (HMR) programme in 2002. This programme was central government's policy response to the lobbying work of the Core Cities group, who made the case for funding to improve housing markets in northern English cities which have experienced very low levels of market demand. The HMR 'pathfinder' areas, of which Sheffield is one, are nine urban areas of around 100,000 homes each. The programme attempts to either upgrade or clear low demand property. One of Sheffield's major problems has been an oversupply of social housing coupled with a mismatch between local people's housing aspirations and the type of housing available. Over one third of Sheffield's housing (63,000 homes) is classed as in need of 'market renewal' and is therefore included in the programme area. Over a 15-year period, this housing will receive part of the £2.5 billion of investment designated for the South Yorkshire sub-region (Sheffield City Council 2004, p 19). By 2006, the HMR programme had already invested £100m in Sheffield (EKOS, 2006, p 7).

The Council has developed three Area Development Frameworks (for North, East and South Sheffield), and Masterplans for the nine housing areas included in Sheffield's HMR programme, as a way of ensuring continuity in spite of the short-term nature of government funding. All these plans were opened to community consultation before being implemented. The Masterplans include action on a wide range of factors affecting neighbourhoods such as housing, education, transport, and local green spaces.

¹³ The amount of funding was proportionate to deprivation levels in the area.

¹⁴ As an example of the amounts of funding involved, Area Panels in Sheffield allocated £1,760,000 in 2003-2004, which funded more than 140 small projects across the city (figures from the Area Action Team's website in 2007, <http://www.sheffield.gov.uk/your-city-council/neighbourhood-renewal-and-partnership/area-action-team>).

¹⁵ Sheffield has received nearly £670 million to modernise its housing as part of the national Decent Homes programme (Sheffield Homes, 2007).

Economic strategy

Since 1998 the responsibility for local economic development policy in England has been concentrated in new regional bodies, the nine Regional Development Agencies. Yorkshire Forward, the Regional Development Agency for Sheffield's region (Yorkshire and the Humber), has therefore played a dominant role in developing the city's economic strategy. Yorkshire Forward's economic strategy has made "putting universities at the heart of economic growth" the a key objective, and focused on developing "action plans for knowledge based regional clusters" including creative and digital industries, advanced manufacturing, bioscience and environmental technologies (Yorkshire Forward, 2006, pp 10-11)

It is clear that Sheffield cannot compete on the same footing with nearby regional capitals such as Leeds and Manchester, which have become the dominant marketplaces for professional firms. The main innovation in terms of Sheffield's economic strategy has been to work more closely with the city's two respected universities, the University of Sheffield and Sheffield Hallam University.¹⁶ The current policy is therefore to develop the commercial potential of Sheffield's knowledge base, rooted in its history of technological innovation and fuelled by the two universities, capitalising on their resources as a way of growing new science-related clusters (Taylor, 2003).

Sheffield is still a manufacturing city, with over 12% of the working population employed in the manufacturing sector in 2005 (ONS).¹⁷ By cooperating with the local universities, the Regional Development Agency is attempting to address the economy's over-reliance on vulnerable and slow-growth sectors through its focus on cluster and incubator concepts in high-growth sectors (Crouch and Hill, 2004).

The City Council itself has not enunciated an overarching economic development strategy to weave together the diverse elements of strategy being developed by other agencies. Partly through the Core Cities network and the Council's Chief Executive, central government has funded an arm's length 'city development company', Creative Sheffield, to lead the task of managing economic development within the city from 2007 (see below).

Although there is still debate as to which fields should become the focus of Sheffield's new economy, four niches continually emerge (see Sheffield First for Investment 2005, Creative Sheffield 2005):

- advanced manufacturing (linked to the city's steelmaking expertise);
- biomedical and healthcare (with a specialisation in surgical blades linked to steelmaking and knife production);
- creative and digital industries (linked to the Cultural Industries Quarter in the city centre); and
- sports science and technology (linked to the Lower Don Valley sports infrastructure).

¹⁶ Over 40,000 students study in Sheffield each year (Sheffield First for Investment 2005).

¹⁷ Data from ONS Annual Business Inquiry employee analysis for 2005.

The clusters promoted by the Regional Development Agency and the local authority are evolving through a number of science and skill based initiatives:

Advanced Manufacturing Park

The Advanced Manufacturing Park (AMP) is the result of a collaboration between engineers at the University of Sheffield and Boeing, whose £28m Advanced Manufacturing Research Centre (AMRC) became the anchor for a wider advanced manufacturing 'cluster site' which opened in 1999. This project was developed and funded by the Regional Development Agency using some Objective 1 funding. It is a key achievement in the economic recovery of the city, an example of how both industrial expertise and the local universities can generate economic activity for the city, a major coup in the face of stiff competition to attract the prestigious Boeing brand.

Cultural Industries Quarter

The Cultural Industries Quarter (CIQ), founded by the left-wing City Council during the 1980s, now employs some 3,000 people and constitutes the central plank of the city's creative industries activity (Dabinett, 2004). However, Dabinett (2004) suggests that the CIQ, and the creative industries more generally, may have reached a plateau. Many of the small firms operating in the CIQ are highly dependent on grant funding from the SRB or EU Objective 1 programmes, which will end soon.

E-campus

The E-campus was a Regional Development Agency-funded project to generate an e-business cluster in the city-centre near the Cultural Industries Quarter. This was to be the next step in developing a digital and creative technologies cluster in the city, but the ambitious original project was scaled back following the 'dot.com' crash (Dabinett, 2004).

Science Park

Originally designed as a an incubator for technology start ups in the digital, IT, e-business, software and multimedia sectors, this city-centre Science Park now mainly provides accommodation for Sheffield Hallam University researchers (Dabinett, 2004). The hope is that this will act as a research incubator.

Inward investment initiatives

The City Council has shifted its focus away from attracting large firms to re-populate the economic landscape, and moved towards an understanding that small and medium-sized enterprises (SMEs) offer real benefits to the local economy and have the potential to multiply and expand fast. Nevertheless, the successful attraction of large firms such as Polestar print-works has provided hundreds of low-skilled jobs for local residents, a necessary counterpart to the focus on high-skilled 'knowledge' jobs.

Sheffield First for Investment

Like many other regenerating cities, Sheffield set up its own inward investment agency to promote the city and attract new businesses to locate there. Sheffield First for Investment (SFfi) was founded in 2001 (see Box 3).

Like the Sheffield One URC, this agency operated at arm's length from the City Council. It has received core funding from the Council and the EU Objective 1 budget. The Objective 1 funding allowed SFfl to attract inward investors, offering some of the highest public incentives available within the European Union, including grant funding for research and development, capital projects, employment and training costs, and support of up to 25% of costs for capital projects.¹⁸

Employment initiatives: JOBMATCH (2001) and Jobnet (2002)

Recognising that a chief concern of investors is whether they will find a local workforce with the right skills, Sheffield First for Investment set up the JOBMATCH service in 2001 to link employers and jobseekers in the city, part-funded by EU Objective 1. JOBMATCH liaises with firms already in or coming to Sheffield about their employment needs, and if necessary organises training to provide local job-seekers with the skills employers require. JOBMATCH also helps ensure that jobs from public sector-led projects prioritise local residents. It worked closely with Sheffield One to broker voluntary labour agreements with the construction firms involved in its infrastructure projects, for example.

The UK's first community-based recruitment service, Jobnet, funded mainly by Objective 1 (with extra funding from the City Council and the Regional Development Agency), was founded in Sheffield to offer a free job brokerage service to local residents and employers. The service operates from bases in low-income communities such as shops and training centres, making it more accessible to hard-to-reach communities (see Fig. 18).

Figure 18: A Jobnet drop-in centre on a high street in the Upperthorpe neighbourhood



Note: All photos by A. Winkler, unless stated otherwise

¹⁸ As detailed on the Sheffield First for Investment website in 2007, http://www.makeitinsheffield.com/fund.aspx?ct_link=fund

Education and Skills

Sheffield suffers from a deficit of highly-skilled workers. Educational attainment remains a problem, with the number of 16-year-old pupils gaining five good GCSEs standing at 8% below the national average (COMPETE, 2005); fully 20% of the city's residents have no formal qualifications (Sheffield City Council, 2003). Addressing this will be a key factor in achieving full employment. As a result of successful lobbying through the Core Cities network, central government has mandated the creation of Skills Boards in all 8 cities to "tackle the issues caused by high levels of benefits dependency and poor skills bases in the cities" (Core Cities, 2006, p 4). These boards were set up in 2007 and are employer-led. They coordinate all basic skills-related activities for the city.¹⁹ Sheffield's Work and Skills Board will set out to identify employment opportunities in the city and ensure local residents are given the training necessary to apply for them. However, although the agendas can be locally tuned, more resources need to be committed to the local plans if the skills gap is to be closed.

Economic Masterplan: Creative Sheffield city development company

The latest single-purpose agency to be created in Sheffield, backed by central government, is the Creative Sheffield city development company (England's first). It was established in 2007, and will subsume the functions of Sheffield One and Sheffield First for Investment to become the dedicated economic development agency for the city. Its functions will include attracting inward investment, strategic marketing, improving the city's physical infrastructure and 'growing the knowledge economy' (Kerslake and Wilson, 2007). It is also due to publish an Economic Masterplan for the city in 2008, commissioned by consultants.

¹⁹ These include activities run or funded by local authority, Learning and Skills Council, JobCentre Plus, Yorkshire Forward and the South Yorkshire Objective 1 Directorate.

4. WHAT HAS CHANGED: SIGNS OF RECOVERY?

This assessment of what has changed in Sheffield following its various regeneration initiatives begins with a brief look at its population trajectory, which experts see as a key indicator of progress toward recovery (see Turok and Mykhnenko, 2007, p 165). It will then go on to consider the city's progress on a range of other factors which are indicators of progress, including employment and inactivity rates, property prices and company formation.

Modest population growth

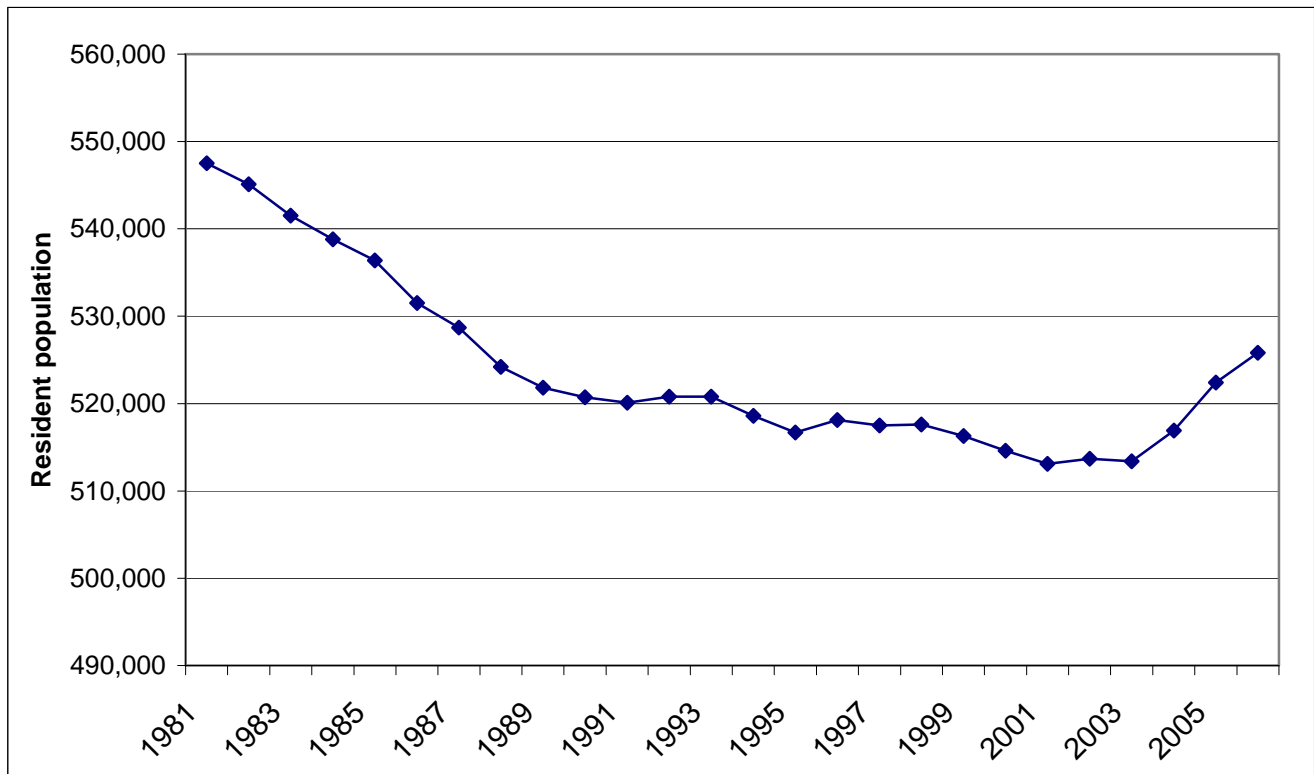
Sheffield's population declined by 5.1% between the censuses of 1981 and 1991, but this rate of decline slowed to 1.3% between 1991 and 2001. Since then, official estimates have indicated a modest population increase, from 513,234 in 2001 to 525,800 in 2006 (NOMIS, 2007), suggesting the beginnings of recovery (see Fig. 20). Growth has remained steady since 2004, a positive sign that seems to indicate that recovery is gaining pace, although, as Figure 4 indicates, three years is too short a period on which to make a judgement relative to the quarter-century of population decline the city has experienced. Recent population growth is in part fuelled by the growing numbers of international migrants arriving in the city since EU enlargement, and Sheffield's designation as an official dispersal location by the National Asylum Support Service which has meant increased numbers of asylum seekers being housed in the city.²⁰ The existing ethnic minority population in Sheffield is also growing fast, as in other cities (see Fig. 19). Around 30% of births in the city are to ethnic-minority parents (Kerslake and Wilson, 2007) and the proportion of the city's population that comes from an ethnic minority has risen from 7% in 1991 to 13% in 2005 (Lovatt, 2007).

Figure 19: A high street in the culturally diverse inner city neighbourhood of Burngreave, home to substantial Pakistani, Afro-Caribbean, Yemeni and Somali communities



²⁰ The only publicly available data on the asylum seeking population relates to those asylum seekers supported by the National Asylum Support System (NASS). Statistics show that at the end of June 2005, 1,320 asylum seekers receiving some form of NASS support were resident in Sheffield (Source: NASS statistics, accessed via the Information Centre about Asylum and Refugees in 2007, <http://www.icar.webblier.co.uk/?lid=1224>).

Figure 20: Resident population of Sheffield, 1981-2006



Source: ONS, mid-year population estimates

Rising property prices

Property prices across Sheffield rose by 9.4% during 2006 alone (Telegraph, 2007) and in the poorest inner areas, prices have risen faster than the city average. These signs of a revival of the local housing market have caused the city to cut back on its HMR demolition plans. A significant proportion of the new city-centre housing is being bought by buy-to-let investors from outside the city, making the market vulnerable to sudden loss of demand. Even so, previously stigmatised inner city neighbourhoods such as Burngreave are beginning to experience housing shortages.

City centre regeneration

The regeneration of the city centre implemented by Sheffield One has produced impressive visible results and is rapidly transforming the look and feel of the central area, with new public landmarks such as Peace Gardens and Winter Gardens (see Figs. 21, 22 and 23) enjoying critical and popular success (Booth, 2005). In the seven years of its operation (2000-2007), Sheffield One will have invested approximately £1.2 billion of external funding, with 70% of this sum coming from the private sector (Walker, 2006). Crucially, there are indications that private investment has begun to follow where public investment has led, for example with the construction of Sheffield's first five-star hotel and a 32-storey residential tower in the heart of the city. Warehouse conversions and renovations are increasing rapidly in spite of worries about the fragility and volatility of much property investment.

Figures 21 and 22: Sheffield Town Hall with the Peace Gardens in 2001, during the demolition of the old extension, and in 2007, with the new Peace Gardens, the McDonald Hotel and the Winter Gardens



Source: http://www.sheffield-fm.co.uk/sheffield_peace_gardens.htm

Figure 23: The Winter Gardens, a new temperate glasshouse in the city centre



Yet, as evidence of real growth, new bars and restaurants have opened in the city centre, and its population almost doubled to nearly 12,000 in the five years between 2000 and 2005 (Walker, 2006) (see Fig. 24). Office rents have been increasing since Sheffield One began its work, with office rental growth in the second half of 2004 rising by 20% on the previous year, outpacing any other UK provincial city (Knight Frank, 2005), albeit from a low base. A report published recently by the national estate agency Knight Frank stated that the city centre has now become “the focus of significant investment”, and that rising prices were a reflection of market advantages including Sheffield’s “competitive rental levels in relation to other cities and its pool of skilled labour, greatly contributed to by two universities within the centre”, stressing that the city had the advantage of being “a cheaper cost base” (Knight Frank, 2005, p 4). This is further substantiated by a recent 15-city survey of executives from 200 UK companies, which found that Sheffield was considered the second best city in terms of value for money office space (Cushman and Wakefield, 2007).

Figure 24: Numerous cranes give an indication of the extent of the building activity going on in Sheffield's city centre



However, doubts remain regarding the appeal of Sheffield's city centre for the type of highly-skilled knowledge worker the city is looking to attract. In the Cushman and Wakefield survey (2007), Sheffield ranks 14 of 15 major UK cities judged on the 'liveliness' of their city environment. The city centre is considered less vibrant than that of other competitor cities, despite the considerable improvements in its appearance.

Sheffield One's Retail Quarter project adjacent to the city centre is well underway, having secured a high-profile anchor tenant in the national department store John Lewis. This project will be critical to the Council's aim of making the city centre into a high-end retail destination, and reversing drift to the outskirts that set in with the construction of the Meadowhall out-of-town shopping centre in 1990 and more recently to Manchester and Leeds.

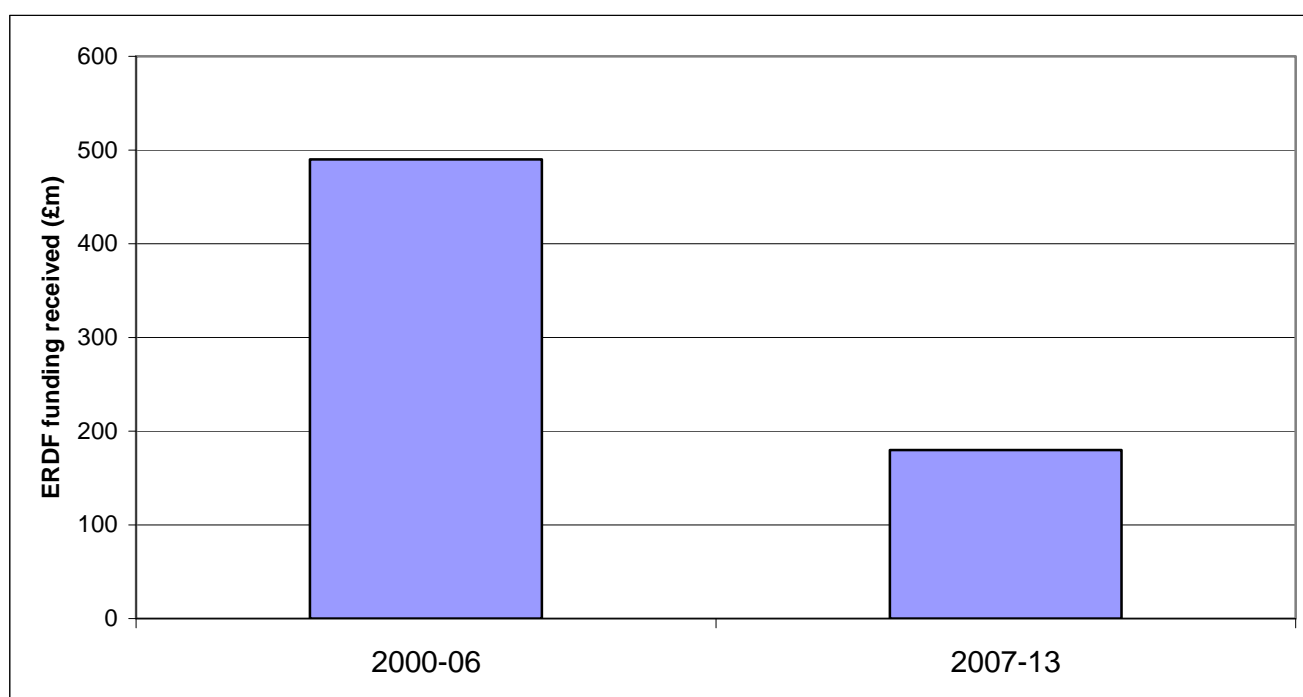
Neighbourhood regeneration

There has been progress on 'closing the gap' between Sheffield's most disadvantaged neighbourhoods and the rest of the city. Unemployment has been falling in the most deprived neighbourhoods, and the schools in inner-city neighbourhoods have shown the most improvement in educational attainment; there have also been

significant reductions in crime levels in the areas where they were highest (Sheffield First Partnership, 2004). As the neighbourhood-oriented regeneration programmes gathered pace, Sheffield has enjoyed a more buoyant housing market.

A big worry is the ending of Objective 1 funding in 2007 (see Fig. 25). This EU programme has financed many grassroots initiatives such as the Netherthorpe and Upperthorpe Community Alliance and the Jobnet employment centres. (We are exploring these initiatives further in the third year of our research programme.)

Figure 25: Value of European Regional Development Fund in South Yorkshire sub-region



Source: Healey, 2006

Note: The 2000-06 figures are taken from the national Government Office website; the 2007-13 figures are based on figures contained in individual programmes (consultation drafts). An exchange rate of €1.48 to £1 has been applied to produce figures in pounds sterling.

Lower Don Valley

The UDC's redevelopment of the Lower Don Valley in the 1980s and 90s transformed the landscape of the city's former industrial heartland from a factory-dominated derelict wasteland to mixed areas of new enterprises. However, there is major potential for more concerted regeneration investment, for example in its historic waterways that are inaccessible and largely invisible to the city. Dissatisfaction with the limitations of the scheme is illustrated by the fact that the City Council announced a new 20-year, £1bn regeneration plan for the Lower Don Valley in 2005. The development project is hoped to create 17,400 new jobs and a local economic output of £270 million per annum, over the 1,000 acre area (Sheffield City Council, 2005b). The project aims to re-zone its industrial land to re-introduce a resident population into the valley (a total of 4,280 housing units is planned). It will also increase Sheffield's limited stock of offices, a task begun by Sheffield One in the city centre. It will capitalise on the River Don and the Sheffield Canal as quality-of-life assets, building some of the new housing in waterfront locations (see Figs. 26 and 27).

Figures 26 and 27: Some of the converted canalside flats already being built in the Lower Don Valley, on the site of a former steel, saw and file works



The Economy

Sheffield's economy continues to shift from its manufacturing base towards a service base, with the proportion of all jobs in the service industry rising from 75.7% in 1995 to 82.8% in 2006. Manufacturing jobs fell from 19.8% of the workforce to 12% over the same period (NOMIS, 2007).

A recent report published by the Department of Communities and Local Government takes a positive view of changes in Sheffield's economy, stating: "After a decline of Sheffield's traditional industries, Sheffield has experienced an economic revival in the last six years, driven by strong local authority leadership and a number of special purpose bodies. It has been one of England's fastest growing major city economies. Creative Sheffield has been set up to spearhead [its] economic transformation" (DCLG, 2006b, p 83).

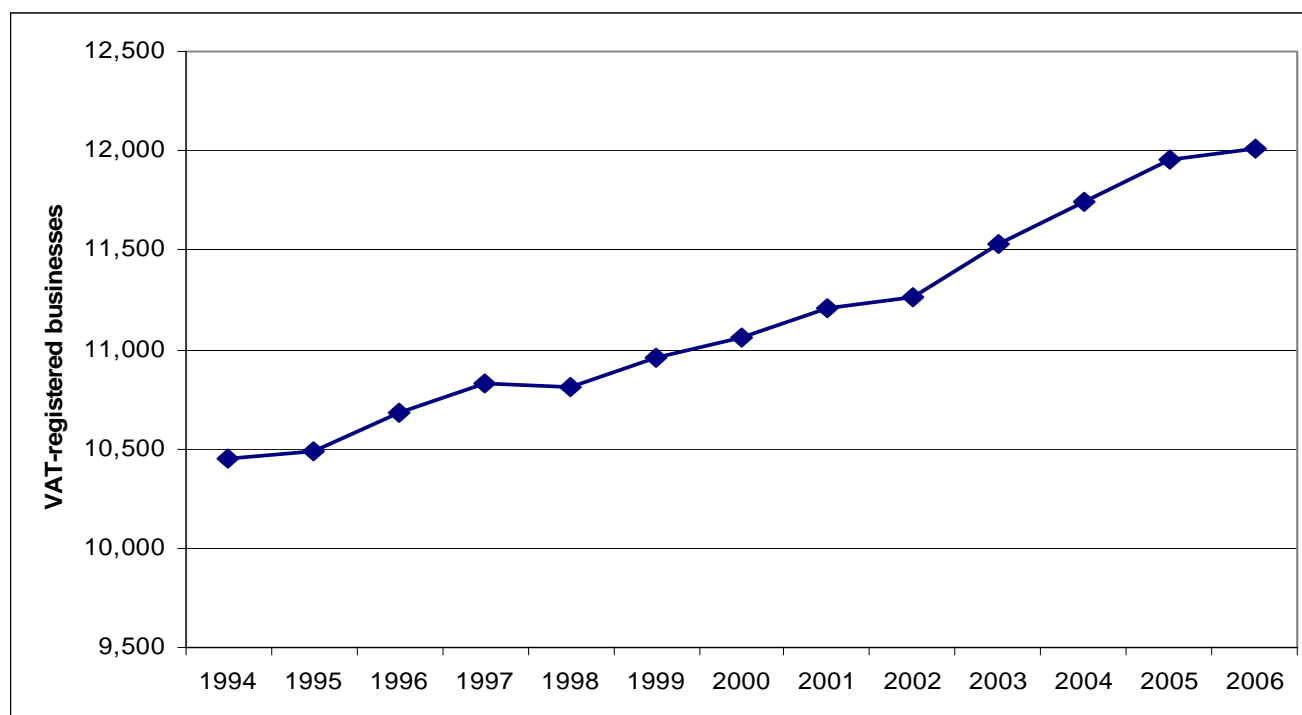
As mentioned, Yorkshire Forward, the local Regional Development Agency with responsibility for economic development strategy, has focused its strategy on developing clusters in several growing economic niches, the most widely recognised one being in advanced manufacturing. The advent of the Boeing research centre in the Advanced Manufacturing Park cluster site has helped attract six research-based businesses to co-locate there, including Life-IC, Europe's first business incubator specialising in assisting early stage clean energy technology companies.

Enterprise

Sheffield's historic domination by large paternalistic firms worked against the creation of smaller new firms. Business registrations, considered the best gauge for entrepreneurialism, are consistently lower in Sheffield than the regional and national averages, although they have grown over recent years (see Fig. 20). The gap between Sheffield and the national average widened throughout the 1980s. Although the picture has improved marginally in recent years, there are still only 2.2 start-ups per 1,000 in Sheffield compared to 3.1 per 1,000 nationally (Sheffield City Council, 2006). The stock of VAT-registered business in the city has been rising, and

while many are small businesses which will take time to grow, it is nonetheless a positive sign which illustrates a growth in the development of services.

Figure 28: Stock of registered businesses, Sheffield



Source: DTI Small Business Service

Note: Businesses with a minimum turnover are required by law to register for VAT. VAT registrations reflect the number of businesses that are active and viable in the city.

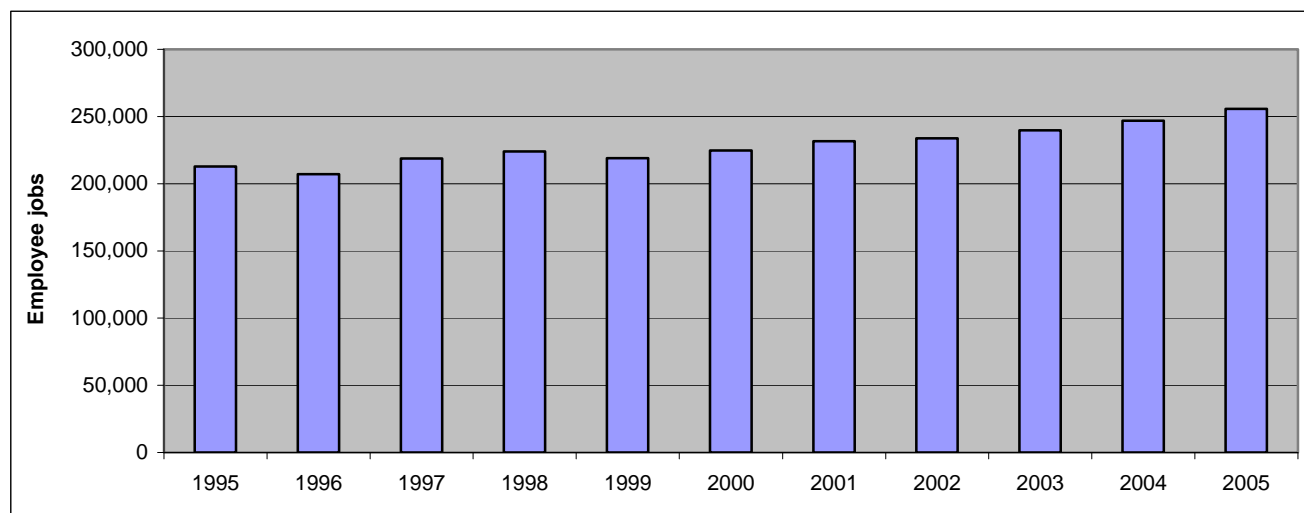
A Regional Development Agency programme launched in 2002 to promote university-linked enterprise, the 'Knowledge Starts in South Yorkshire' programme, had created 31 spin-off companies and over 100 new jobs by 2005 (Sheffield City Council, 2005). This success underlines the small scale of these knowledge enterprise initiatives in terms of actual jobs created. As one local official commented, "we lost a steel mill recently, and with it 700 jobs. You've got to create a lot of small knowledge-based companies to recoup that loss" (interview, 2006).

In December 2006, Sheffield won £300 million over 3 years from the national government's Local Enterprise Growth Initiative (LEGI), which the city will use to fund a programme called Generation Enterprise aimed at increasing skills and growing enterprise in the city's low-income areas, working within the 'Closing the Gap' targeted neighbourhoods (DCLG, 2006a). This programme is still being developed.

Job creation

Despite continuing losses in the manufacturing sector, the overall number of jobs in the city has been increasing since 1995, with the total rising from 213,000 to 256,000 in 2005 (NOMIS, 2007) (see Fig. 29).

Figure 29: Total employee jobs, Sheffield, 1981-2005



Source: ONS annual business inquiry employee analysis

Technology, retail and business services sectors have been the main fields of expansion (see Fig. 30). Service sector fields such as finance (in which Sheffield has not traditionally had a foothold), have expanded in recent years. Jobs in banking, finance and insurance have also increased, from 15.5% of the workforce in 1995 to 19.6% in 2006, very close the national average (NOMIS, 2007).

Figure 30: Major job gains and losses in Sheffield, 2004

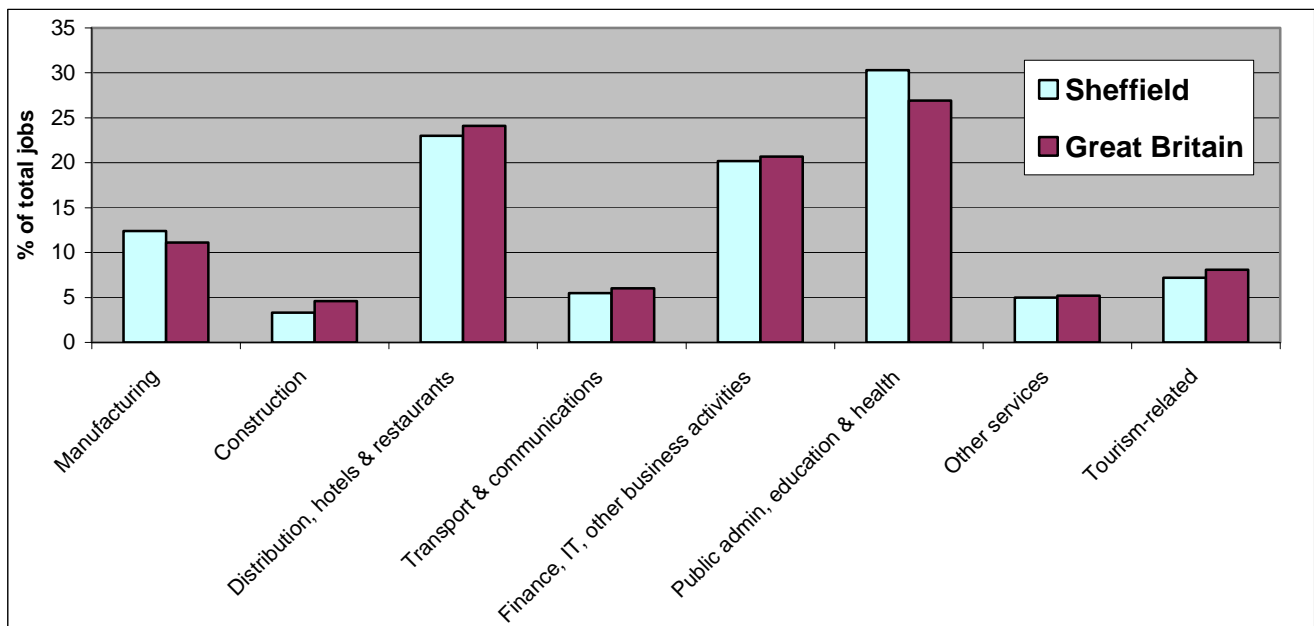
Announcements of Major Job Gains and Losses in Sheffield, January – December 2004		
LOSSES	Organisation	Activity
700	Corus	Steel
170	Meritor Suspension Systems	Engineering
170	Norwich Union	Insurance
200	Primecare	Health (call centre)
	Qjump	Transport (call centre)
GAINS		
1,300	Polestar	Printing
175	Ebuyer	Technology, retail
100	Duneilm	Fabric retail
200	Ant Marketing	Business services
180	Nationwide Building Society	Finance (call centre)
100	Omar Woodbury	Wood products
90	Loadhog	Metal goods

Source: GOYH, 2004

Public sector employment has grown steadily since the 1990s, and remains higher than the British average at 31.3% of all jobs in 2006, compared to 26.9% nationally (see Fig. 31). Some of these jobs are vulnerable to public spending cuts, the ending of special programmes or recession – as many interviewees have pointed out.

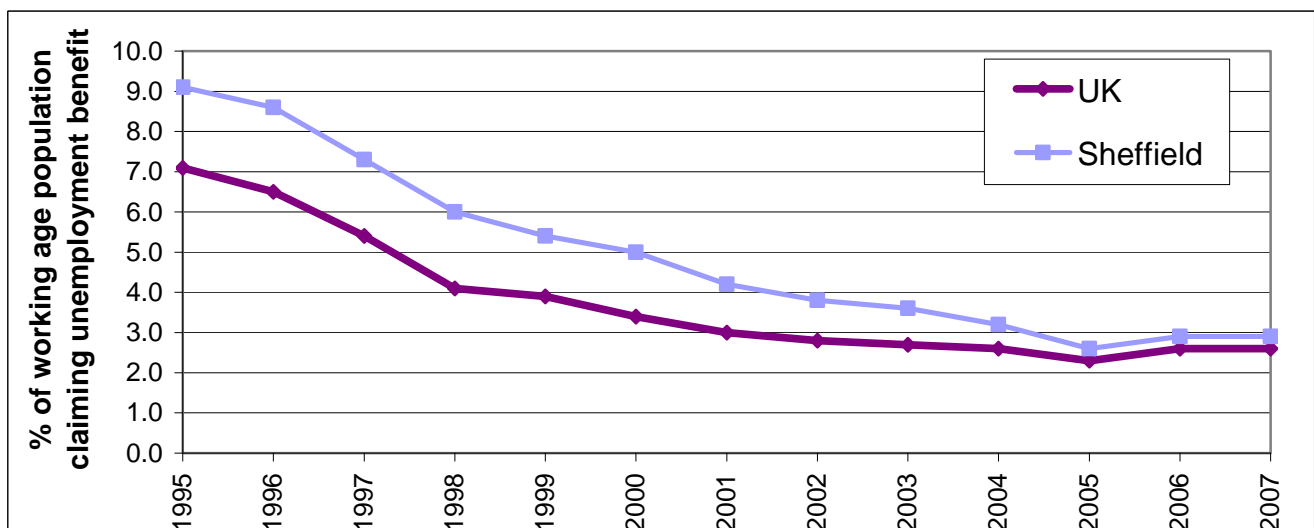
The claimant count-based measure of unemployment is now converging with the national average, although the inactivity rate in the working age population remained stubbornly higher than the British average in 2006, at 26% compared with 22% nationally (see Figs. 32 and 33).

Figure 31: Employee jobs by sector in Sheffield and Great Britain, 2005



Source: Annual Business Inquiry employee analysis (NOMIS, 2007)

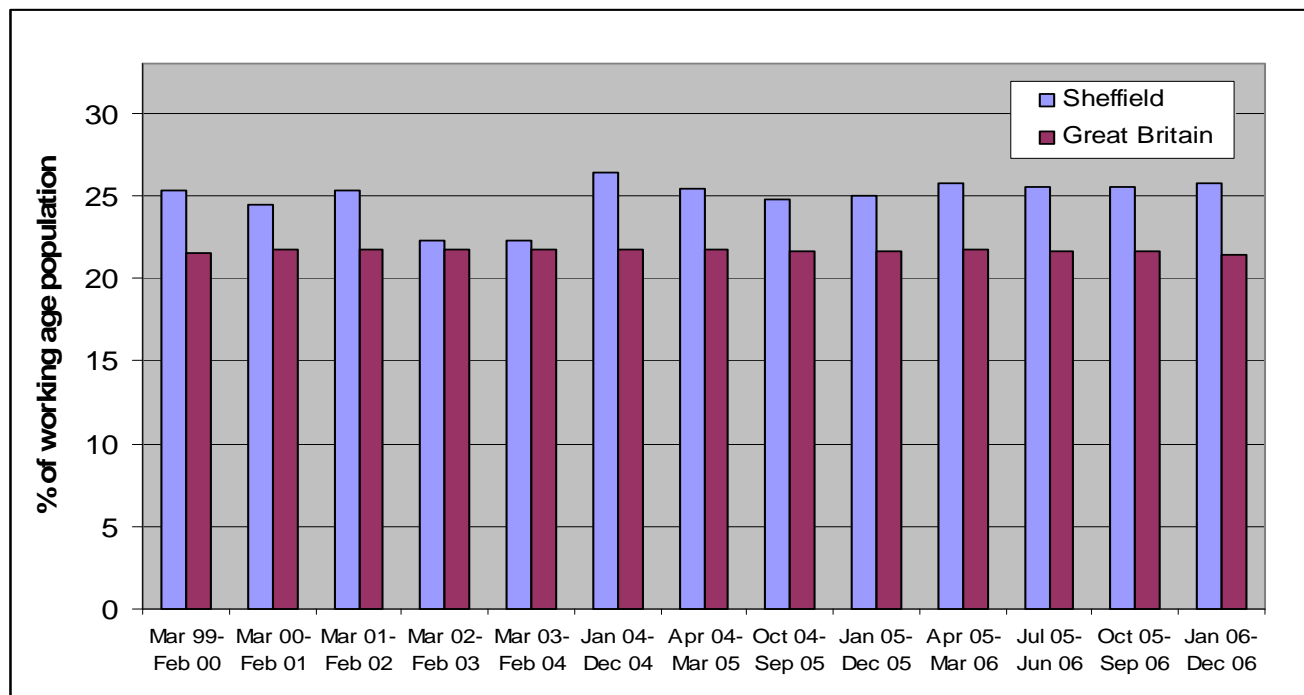
Figure 32: Proportion of working-age population claiming unemployment-related benefits, Sheffield and UK



Sources: NOMIS claimant count; Sheffield City Council

Note: Proportions for 2006 onwards are calculated using the 2005 resident working age population figure.

Figure 33: Economic inactivity rate, Sheffield and Great Britain



Source: ONS annual population survey

Note: People classed as inactive are those who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.

Inward investment

The inward investment agency Sheffield First for Investment has played its part in the 6-fold increase in inward investment, using Objective 1 funding to help attract firms including William Hill, Kingfield Health, Bright Finance, Chesterfield Cylinders, Plus Net and the international printing company Polestar to the city. Attracting Polestar was a major coup; it is “the largest single inward investment project in the Yorkshire and Humber region for over 20 years” (Creative Sheffield, 2005), and Sheffield First for Investment was recently ranked among the top 10% of investment promotion agencies worldwide by an independent benchmarking study.²¹ However, there are concerns about the sustainability of the jobs being attracted to the city; the sheer need to attract external investment has resulted in the targeting of large, exogenous corporations, whose branches offer low-skilled jobs which might easily be cut during a recession, “leaving behind little acquired autonomous capacity” (Crouch and Hill, 2004, p 196).

Skills

Skills levels are gradually improving, from 58.8% of pupils achieving five good GCSEs²² in 2000 to 61.1% in 2004, while those with no qualifications fell from 18.7% in 2000 to 15.4% in 2005 (NOMIS, 2007). One clear success at the local level has been the Construction JOBMatch project, an innovative social inclusion project

²¹ Results of a survey of 72 international investment promotion agencies, conducted by London-based economic consultancy GDP Global Development and published in December 2006. The report contains the results of investigations which were undertaken from November 2005 to May 2006. Agencies were evaluated on 210 separate assessments.

²² Five or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2 or equivalent.

run by the City Council's Employment Unit in partnership with a private construction firm, Kier LLP. This £14 million public-private partnership project aims to train unemployed local residents in the construction industry. Sheffield Council formed a limited liability partnership with Kier LLP to which the Council gave a repairs and maintenance contract, worth £700 million over 10 years, for its stock of 55,000 dwellings and its corporate buildings. The partnership runs the Construction JOBMatch programme, which trains 500 unemployed residents from deprived neighbourhoods in Sheffield. 108 individuals completed the programme's first phase, and the retention rate was 82% (Grewal, 2006).²³

Transport and connectivity

Improving Sheffield's connectivity is a critical factor for economic regeneration. There is still a pressing need for improvements to internal and external transport links. Although Sheffield's own city airport closed in 2005, the new and long-awaited Robin Hood Doncaster Sheffield airport, 18 miles from the city, opened in 2005 and handled 1 million passengers in its first 60 weeks of operation (Robin Hood Airport, 2006). Train connections to London are frequent and faster than before, but train links to nearby cities in the north of England are slow, with trains taking one hour to make the 30-mile journey to Leeds. Among local economic experts there has been much talk in recent months of the need to develop better transport links with the nearby economic powerhouses of Manchester and Leeds. This would allow Sheffield to share in the dominant economies of these regional centres, and to tap into their labour and housing markets. This project, referred to as the plan for a 'northern metro' in the triangle of Sheffield, Leeds, and Manchester could transform the city's long-term future economic prospects.

More devolution

The Core Cities network has succeeded in persuading government that more decision-making powers should be devolved to city level. This has been evidenced in the national Department for Communities and Local Government's recent White Paper: "The challenges of the global economy ... require greater power and resources to be devolved to regional and local levels ... if we are to compete as a nation we must have cities that can hold their own on the global stage" (DCLG, 2006b, p 9). Local Area Agreements (LAAs), launched in 2005, have become a key innovation. To avoid the complexity of multiple bidding and to coordinate funding from a wide range of national, regional and local sources, LAAs are voluntary agreements between national government and Local Strategic Partnerships like the Sheffield First Partnership. The LAA pools the funding traditionally allocated via various programmes, allowing the local partnership to propose its own spending decisions and targets based on local priorities, which are then agreed with central government (see Box 5).

²³ The Construction JOBMatch project is written up in our report to the Academy for Sustainable Communities, published on LSE CASE's website; see http://sticerd.lse.ac.uk/case/_new/publications/default.asp.

Box 5: Sheffield's Local Area Agreement

The Local Area Agreement for Sheffield, first signed in 2005, channels funding into one of three 'blocks'. These are:

- Successful Neighbourhoods;
- Children and Young People; and
- Healthy Communities and Older People.

The Agreement for 2005/2006 totals £9.7m. The Agreement was updated in 2006 to include a fourth block for Economic Development and Enterprise.

Another success has been central government's recognition of the potential role of city development companies in delivering a more coordinated approach on urban economic development. The government recently cited Creative Sheffield as a case study, saying it will support and promote the concept (DCLG, 2006b). This recognition will hopefully translate into further support and funding for Sheffield's priorities and plans.

Developing the city-region agenda: multi-area agreements

Since the mid-1990s, Sheffield has been working together with its three neighbouring metropolitan authorities (Barnsley, Doncaster and Rotherham) as the South Yorkshire Forum, an informal grouping of key stakeholders focused on developing a shared economic vision for the city-region. Since then a Regional Economic Strategy has been developed for the Yorkshire and Humber region. Through the Northern Way network, Sheffield City Council has worked with its neighbouring Councils to produce a City Region Development Plan, proposing conurbation-wide collaboration over the use of resources (Northern Way, 2006). There are, it says, a number of key policy areas best addressed across council boundaries: in particular, transport, housing, economic development, skills and regeneration. In theory, the new Multi-Area Agreements (Local Area Agreements extended across several local authorities) will allow cash to be channelled towards schemes that best serve the city region as a whole, favouring major strategic projects over inefficient and small-scale local initiatives. This higher-level proposal could help attract some of the infrastructure investment, particularly in public transport connections that would be critical to further growth and recovery.

5. CONCLUDING THOUGHTS

Developing residential appeal and quality-of-life assets

Sheffield's image is being transformed by major investments in infrastructure, particularly in the city-centre, combined with ongoing housing and neighbourhood renewal programmes. Its reputation as a city of grime and smoke is giving way to that of a modern urban centre with a burgeoning taste for city living, bolstered by the large numbers of students that drive demand for services and new businesses. This, combined with the city's natural assets such as its ample green spaces, will be critical factors for attracting 'knowledge workers' to the city, who place a high value on quality of life considerations. Meanwhile, rising property prices across the city attest to its growing residential appeal.

'Innovative producer' role

The role Sheffield aims to carve out for itself as an 'innovative producer city' makes the development and marketing of its new business clusters a hallmark of progress. The Advanced Manufacturing Park and its success in attracting Boeing's research centre is an encouraging breakthrough in this approach. The city needs a critical mass of major companies to generate a scale of economic activity that helps Sheffield regain its position as inventor, engineer and producer of some of the world's finest modern equipment. Many of the highly qualified graduates of Sheffield's universities would stay in the city if they saw such an exciting future. However, it may take decades for the new economy to take root.

Low skills and unemployment still entrenched

At the other end of the spectrum, skills development will require a sustained effort to break the high levels of long-term economic inactivity. There are worries about inter-generational unemployment impacts among families who suffered most from de-industrialisation. Only intensive outreach programmes and accessible local support will shift this problem, and avoid the spectre of a two-tier city. The Work and Skills Board is trying to develop locally-sensitive plans but its resources are limited and too many low-skilled adults are still outside the formal job market. This is particularly worrying as it affects many of the city's young adults. Much remains to be done if this gap is to be closed.

Struggling region poses challenge

Sheffield's surrounding region was historically highly industrial, and the South Yorkshire mines are still active in places. Its population is also very deprived. This places a constraint on Sheffield's regeneration as it lacks a prosperous region to feed into its growth; as consumers of its activities, customers at its shops, demand for its professional services, and as a wider pool of skilled labour on which to draw. Most struggling former industrial cities both in this country and abroad are located in declining regions (see Vey, 2007; Plöger, 2007; Winkler, 2007). This makes the recovery effort of the city a much broader agenda, reaching across the whole city region. Within the current policy framework, this agenda so far has been difficult to develop.

Resources for neighbourhood-level regeneration

Meanwhile, regeneration at neighbourhood level is showing signs of positive pay-back though there are still worrying levels of polarisation, particularly along ethnic lines. Sheffield has allowed and encouraged powerful community leadership in parts of the city which prevented many bad regeneration-related decisions and fostered some good ones. But supportive as the City Council is in principle, it tends to prioritise city-wide plans over small-scale, 'piecemeal' initiatives by local communities. Its own administrative structures do not necessarily match the way local communities work. Meanwhile the imminent tail-offs of Single Regeneration Budget and EU Objective 1 neighbourhood renewal funding, which has sustained so many local projects run by the voluntary and community sector, will pose a further threat local communities' own grassroots regeneration efforts. Alternative resources have not yet been clearly identified to fill the funding and support shortfalls that will arise over the next year or two. If public sector involvement in low-income neighbourhoods continues, then investment to date should bear fruit.

Centralised national framework

Local coordination is a major challenge in a highly centralised national environment. There is a proliferation of competing national agencies working on different aspects of city regeneration, with overlapping agendas. This has produced a fragmentation of top-down policies, funding streams and targets for local governments to meet. Sheffield City Council has struggled to create a coherent agenda at city level in this policy environment, let alone to develop regeneration plans with neighbouring local authorities in the wider region.

Partnership board helps coordinate regeneration priorities

In this context, the strong partnership arrangements Sheffield has put in place to manage its regeneration, in the form of the Sheffield First Partnership board, are a key way in which the Council can coordinate its activities. Meanwhile the creation of semi-autonomous agencies outside the Council to manage city-centre regeneration, inward investment and now economic regeneration have given a clearer focus to these activities, while ensuring that they develop in tandem with Council plans (all these agencies have a seat on the Sheffield First Partnership board). While some criticise these structures for reducing the role of elected councillors, community representatives, businesses and voluntary civic organisations have gained more say and status than under previous, more bureaucratic structures. With well-established, workable partnership structures for deciding and managing its local priorities, a national trend towards further devolution would be a boon for Sheffield.

Connectivity needs to be addressed

Connectivity is a vital and under-resourced issue needing to be tackled. Within the city a lot more could be done with more adequate resources, particularly improving public transport. But the major regional transport investments needed to create the links to other cities that will be vital to the development of Sheffield's economy, rely on central government resources. A government adviser put it this way:

"The North [of England] remains in need of an overall economic renaissance, despite its patches of innovation and wealth. The solution is massive investment in infrastructure to better connect attractive locations in which to live to where the strategic economic action is." (Williams, 2007)

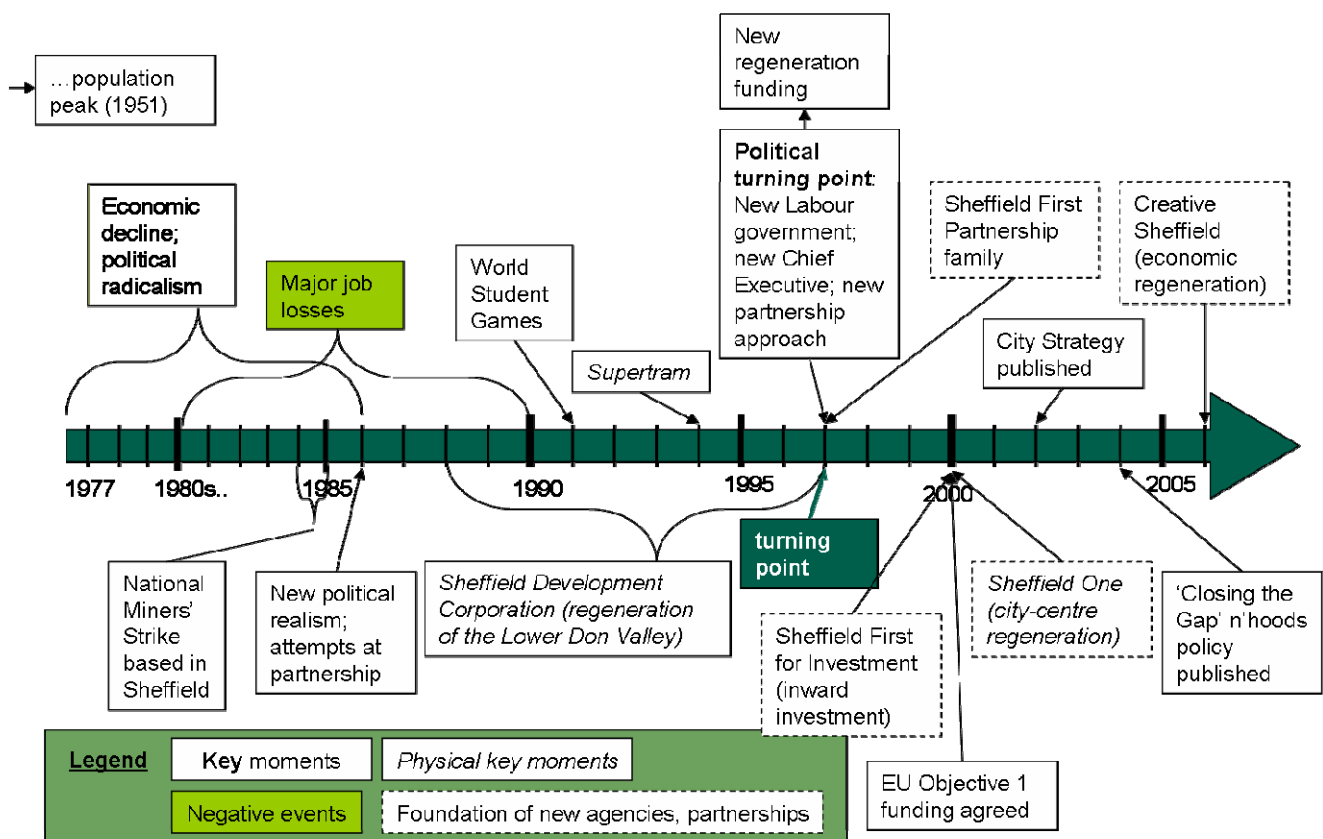
In order to tackle the imperative of greater economic activity in the city, better links with other more prosperous, regional centres are vital. The UK Parliament was recently told by Lord Woolmer of Leeds that:

“Transport spending remains firmly at the top of the region’s agenda for business ... Transport is creaking in the region [and] links between Leeds, Sheffield and Manchester – a crucial triumvirate ... – need to be rapidly improved.” (Hansard, 2007)

City still vulnerable, but prospects are positive

The future of cities like Sheffield cannot be secure, dependent as they are on the wider economy; investment decisions made elsewhere, and far reaching social changes are sweeping through communities disregarding administrative boundaries. Nonetheless, Sheffield's many initiatives, its powerful drive for change on a variety of fronts, its many natural assets and its historic role as producer, builder and change agent make its future look far more positive than seemed possible even a decade ago.

Figure 34: Recovery timeline



SOURCES

Interviewees

Miranda Plowden	Regeneration Programme Director, North Sheffield Area Development Framework	Sheffield City Council
Ron Barrowclough	Assistant Chief Executive, Policy and Performance	Sheffield City Council
Laura Moynahan	Director	Netherthorpe and Upperthorpe Community Alliance (NUCA)
John Clarke	Chief Executive	Burngreave New Deal for Communities
Evelyn Milne	Director, Regeneration and Partnerships	Sheffield City Council
Karl Tupling	Director, Housing	Sheffield City Council
Bob Kerslake	Chief Executive	Sheffield City Council
Joanne Roney	Executive Director, Neighbourhoods and Community Care	Sheffield City Council
John Mothersole	Executive Director, Development, Environment and Leisure	Sheffield City Council
Dee Desgranges	Strategic Support Manager, Lifelong Learning and Skills	Sheffield City Council
Andy Jackson	Director	Heeley Development Trust
Alan Lyons	Investor Development Manager	Sheffield First for Investment
Tony Tweedy	Senior Manager, Lifelong Learning and Skills	Sheffield City Council
John Rigby	Economic Strategy Manager	Sheffield City Council
Gordon Dabinett	Reader, Department of Town and Regional Planning	University of Sheffield
Andrew Denniff	Policy and Representation Manager	Sheffield Chamber of Commerce
Peter Wells	Principal Research Fellow	Centre for Regional Economic and Social Research, Sheffield Hallam University

Tony Gore	Senior Research Fellow	Centre for Regional Economic and Social Research, Sheffield Hallam University
David Robinson	Professor of Housing and Public Policy	Centre for Regional Economic and Social Research, Sheffield Hallam University
Jan Fitzgerald	Regeneration Programme Director, South Sheffield Area Development Framework	Sheffield City Council
David Shepherd	Regeneration Programme Director, East Sheffield Area Development Framework	Sheffield City Council
Ian Bromley	Chief Executive	Creative Sheffield
John Rigby	Economic Strategy Manager, Corporate Policy Department	Sheffield City Council
Andy Topley	Director of Regeneration	Creative Sheffield
Ian Cole	Professor	Centre for Regional Economic and Social Research, Sheffield Hallam University
Doug Lowe	Chief Executive	Centre for Full Employment
Judith Badger	Jobs and Training Manager	Netherthorpe and Upperthorpe Community Alliance (NUCA)
John Hudson	Director of Enterprise and Skills	Creative Sheffield

Bibliography

Audit Commission (2004) *People, places and prosperity: A possible framework for the local delivery chain*. Accessed on 12.01.07 at <http://www.audit-commission.gov.uk/reports/accessible.asp?ProdID=C25BEB47-CE10-4faa-9484-611B3014E610#sect2>.

Aylen, J. (1984) 'Prospects for Steel', *Lloyds Bank Review*, no.152, April 1984.

Baines, D. and Woods, W. (2004) 'Population and Regional Development, 1840–1940', in R. Floud and P. Johnson (eds) *The Cambridge Economic History of Modern Britain, Volume 2: Economic Maturity, 1860-1939*, Cambridge: Cambridge University Press.

Booth, P. (2005) Partnerships and networks: The governance of urban regeneration in Britain, *Journal of Housing and the Built Environment*, vol 20, no 3.

COMPETE (2005) *Sheffield City Profile*. Accessed on 13.10.06 at http://www.compete-eu.org/fileparser.asp?file=/cityprofiles/Sheffield_city_profile.pdf.

Core Cities (2006) London and the Core Cities: Shared Platform, Manchester@ Core Cities <http://www.corecities.com/dev07/Summits/2006/CC%20&%20London%20Shared%20Platform.pdf>.

Creative Sheffield (2005) *Creative Sheffield Business Plan*. Accessed on 18.12.06 at http://creativesheffield.co.uk/creative_sheffield_business_plan.pdf.

Crouch, C. and Hill, M. (2004) 'Regeneration in Sheffield: From Council Dominance to Partnership' in C. Crouch, C. Triglian, H. Voelzkow and P. Le Gales (eds) *Changing Governance of Local Economies*, Oxford: Oxford University Press.

Cushman and Wakefield (2007) *UK Cities Monitor, 200*, London: Cushman and Wakefield.

Dabinett, G. and Ramsden, P. (1993) 'An Urban Policy for People: Lessons from Sheffield', in R.F. Imrie and H.Thomas (eds) *British Urban Policy and the Urban Development Corporations*, London: Paul Chapman, pp 123-153.

Dabinett, G. and Ramsden, P. (1999) 'Urban Policy in Sheffield: Regeneration, partnerships and people' in R. Imrie and H. Thomas (eds) *British Urban Policy*, London: Sage.

Dabinett, G. (2004) 'Creative Sheffield: Creating value and changing values?', *Local Economy*, vol 19, no 4, pp 414-419.

Dabinett G. (2005) 'Partnerships and Transformation of the State in Great Britain', in B. Jouve, P. Booth (eds) *Metropolitan democracies: transformations of the state and urban policy in Canada, France and Great Britain*, Aldershot: Ashgate Publishing.

Department for Communities and Local Government (DCLG) (2006a) *Sheffield LEI Factsheet*. Accessed on 19.12.06 at <http://www.neighbourhood.gov.uk/publications.asp?did=1865>.

Department for Communities and Local Government (DCLG) (2006b) *Strong and Prosperous Communities – The Local Government White Paper*, vol 1. Accessed on 29.10.06 at http://www.communities.gov.uk/pub/98/StrongandProsperousCommunitiestheLocalGovernmentWhitePaperVol1_id1504098.pdf.

Digaetano, A. and Lawless, P. (1999) 'Urban Governance and Industrial Decline: Governing structures and the policy agenda', *Urban Affairs Review*, vol 34, no 4.

EKOS (2006) *Strategic Economic Assessment, South Yorkshire Summary. City of Sheffield: Emerging policy priority areas*. Accessed on 08.12.07 at http://www.yorkshire-forward.com/asset_store/document/final_sheffield_profile_103426.pdf.

Elcock, H. (2006) 'Local Political Leadership in Britain: Rake's Progress or Search for the Holy Grail?' *Public Policy and Administration*, vol 21, no 2, Summer 2006.

Fawcett, A.P. (2000) 'A Tale of Two Cities: Sheffield and Nottingham – Architecture and the provincial city in inter-war Britain', *Planning Perspectives*, vol 15, no 1, pp 25-54.

Fothergill, S. and Grieve Smith, J. (2005) *Mobilising Britain's missing workforce: unemployment, incapacity benefit and the regions*, London: Catalyst.

Government Office for Yorkshire and The Humber (GOYH) (2004) *South Yorkshire Objective 1: Annual implementation report 2004*. Accessed on 20.12.06 at <http://www.goyh.gov.uk/goyh/docs/199734/199789/335937/355622/389010>.

Grewal, H.K. (2006) 'Guiding Lights: This year's Beacon awards for best practice in local government', *Regeneration and Renewal*, 8 September 2006.

Hansard H.L. (2007), col 937, 20th April 2007, <http://www.publications.parliament.uk/pa/ld200607/ldhansrd/text/70430-0011.htm#07050113000002>.

Healey, A. (2007) 'An End to Structural Funds?', in *Northern Regeneration Summit and Exhibition 29-30 October 2007: Supplement and full event guide*, London: Regeneration and Renewal.

Josvig, H. (1968) *Sheffield-Rotherham*, Freiburg: Geographischen Institute der Albert-Ludwigs Universität.

Knight Frank L.L.P. (2005) *Sheffield Central Area Activity Report, Autumn 2005*. Accessed on 19.12.05 at <http://www.knightfrank.com/ResearchReportDirPhase2/10740.pdf>.

Kerslake, R. (2005) 'Working together has brought self belief in a city reborn', in C. Grace (ed) *The Re-thinking of Local Government: Fitness for Purpose in a year of living dangerously*, London: SOLACE Foundation.

Kerslake, R. and Wilson, J. (2007) 'How Sheffield's transformation was built on respect, partnership and devolution', in Murray, C. (ed) *Working Together: Transformational leadership for city growth*, London: Smith Institute, pp 66-74.

Lawless, P. (1986) *Severe Economic Recession and Local Government Intervention: A case study of Sheffield*, Sheffield: School of Regional and Urban Studies, Sheffield City Polytechnic.

Lawless, P. (1990) *Urban Regeneration in Sheffield: From radical intervention to partnership, 1979-1989*, Working paper, Sheffield: Centre Regional Economic and Social Research, Sheffield Hallam University.

Leunig, T. and Swaffield, J. (2007) *Cities Limited*, London: Policy Exchange.

Lovatt, R. (2007) *Developments in the Sheffield Population*, Sheffield: Sheffield City Council.

Middleton, P. (1991) *Cities in Transition*, London: Michael Joseph.

NOMIS (2007) *Labour Market Profile: Sheffield*. Accessed on 17.01.07 at <http://www.nomisweb.co.uk/reports/1/2038432027/pdf.aspx>.

Moggridge, H. (1998) 'Gardens and Landscapes 1930-2000', London: Conference Paper presented to Garden History Society and Twentieth Century Society, September 1998.

Northern Way (2006) *Sheffield City Region Development Programme*. Accessed on 09.01.07 at <http://www.thenorthernway.co.uk/downloaddoc.asp?id=277>.

ONS (2005) *Regional Profile: Yorkshire and The Humber 2005*. <http://www.statistics.gov.uk/cci/nugget.asp?id=1128>.

ONS (2001) *2001 Census: Census Area Statistics, Sheffield (Local Authority)*. Accessed on 17.01.07 at <http://neighbourhood.statistics.gov.uk/dissemination/LeadKeyFigures.do?a=3&b=276794&c=sheffield&d=13&e=16&g=365736&i=1001x1003x1004&m=0&enc=1>.

PEP (1981) *Report to the Department of Environment on Priority Estates and Difficult to let council housing*, London: DOE 1981.

Plöger, J. (2007) *Belfast City Report*, CASEreport 44; *Bilbao City Report*, CASEreport 43; *Leipzig City Report*, CASEreport 42; *Bremen City Report*, CASEreport 39, London: LSE.

Regeneration and Renewal (2007) *Sheffield examines idea of fast rail link*, 27th April 2007.

Robin Hood Airport (2006) *Robin Hood Airport Doncaster Sheffield Fact Sheet, updated 01 November 2006*. Accessed on 3.12.06 at http://www.robinhoodairport.com/show_image.php?file_id=318.

Seyd, P. (1990) 'Radical Sheffield: From socialism to entrepreneurialism', *Political Studies*, vol 38, no 2, pp 335-44.

Sheffield City Council (1993) *Poverty and the Poor in Sheffield 1993: The review of areas of poverty*, Sheffield Directorate of Planning and Economic Development, Sheffield City Council.

Sheffield City Council (2004) *Closing the Gap: A framework for Neighbourhood Renewal*. Accessed on 18.12.07 at <http://www.sheffield.gov.uk/your-city-council/neighbourhood-renewal-and-partnership/closing-the-gap>.

Sheffield City Council (2005) *Knowledge Starts in South Yorkshire: Spinning out research-based businesses*, issue 12, December 2005, Sheffield: Sheffield City Council.

Sheffield City Council (2006) *Sheffield LEGL Submission: Generation Enterprise*. Accessed on 18.12.06 at www.neighbourhood.gov.uk/displaypagedoc.asp?id=1878.

Sheffield City Region (2007) *City Region Development Programme*, Sheffield: Sheffield City Region.

Sheffield First Partnership (2004) *Sheffield City Strategy Progress Report*. Accessed on 15.09.06 at <http://www.sheffieldfirst.net/downloads/detailedprogressreport2004.pdf>.

Sheffield First Partnership (2006) *Sheffield First Agreement – Refresh 2006*, Sheffield: Sheffield City Council. Accessed on 14.12.06 at <http://www.sheffieldfirst.com/sheffield-first-agreement>.

Sheffield Homes (2007) *Annual Report 2006/07*, Sheffield: Sheffield Homes.

Sheffield One (2001) *City Centre Masterplan (webpage)*. Accessed on 8.12.06 at <http://www.sheffield1.com/plan.asp>.

Stevens, A. (2007) *History and many post-war reforms shape local government in the UK* (webpage). Accessed on 13.11.07 at http://www.citymayors.com/government/uk_government.html.

Strange, I. (1993) 'Public-private partnership and the politics of economic regeneration policy in Sheffield c. 1985-1991', unpublished PhD thesis, Sheffield: University of Sheffield.

Sustainable Development Commission (2003) *Mainstreaming sustainable regeneration – a call to action*, London: SDC.

Telegraph, *Clear for Take-off*, 16th January 2007. Accessed on 16.01.07 at <http://www.telegraph.co.uk/property/main.jhtml?xml=/property/2007/01/16/pdoncaster14.xml&page=3>.

Vey (2007) *Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities*, Washington DC: Brookings Institution.

Vision of Britain (2007) *Sheffield District: Total population* (webpage) http://www.visionofbritain.org.uk/data_theme_page.jsp?u_id=10076882&c_id=10001043&data_theme=T_POP.

Walker, B. (2006) 'A Glint of Steel', *Regeneration and Renewal*, 14 July 2006.

Watts, H. D. (2004) *Discovering Cities: Sheffield*, Sheffield: Geographical Association.

Williams, T. (2007) 'Regeneration is as easy as ABC', in *Regeneration and Renewal*, 12th October 2007, p 40.

Winkler, A. (2007) *Sheffield City Report*, CASEreport 45; *Torino City Report*, CASEreport 41; *Saint-Étienne City Report*, CASEreport 40, London: LSE.

Yorkshire Forward (2006) *The Regional Economic Strategy for Yorkshire and Humber 2006-2015*. http://www.yorkshire-forward.com/asset_store/document/res_summary_06_15024.pdf.